

# AUTOMOTIVE EXECUTIVE

OFFICIAL  
PUBLICATION  
OF THE NATIONAL  
AUTOMOBILE  
DEALERS  
ASSOCIATION

April 1985

## THE U.S. TRUCK MARKET:



## WHY THE WORLD WANTS IN

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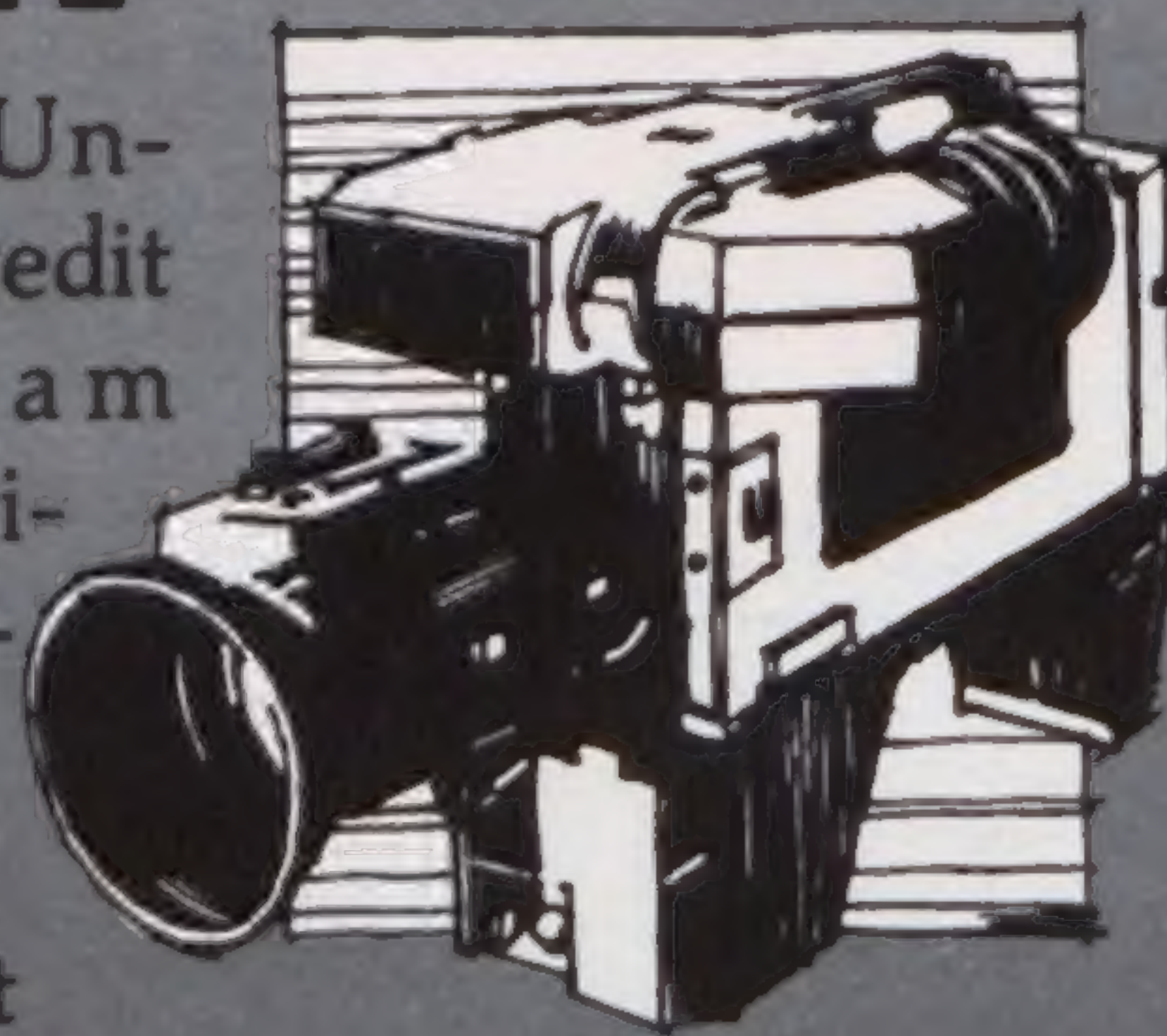
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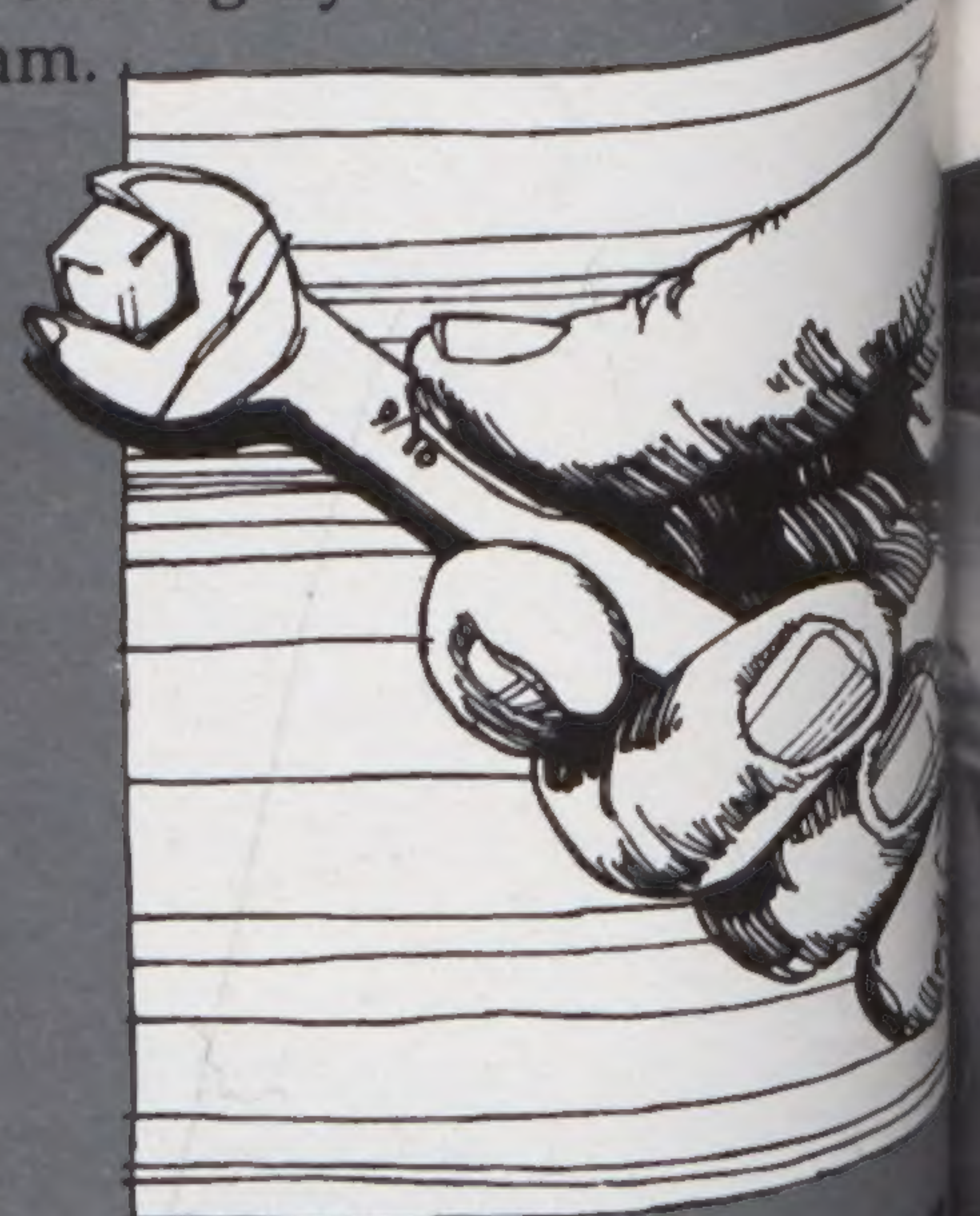


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**Tilt-Wheel is one of today's best automotive values** — with a manufacturer's suggested retail price of just \$110 and a resale value of up to \$100, based on current leading used car guides. That's value that "clicks" with customers.

## **"click"**

**Tilt-Wheel comfort builds customer satisfaction.** With six different driving positions and its easy-in, easy-out feature, customers buy again — nine out of ten times!

## **"click"**

**Tilt-Wheel "clicks" with GM dealers** because it adds profit without adding to inventory — on both new and used vehicles.

## **"click"**

**Tilt-Wheel "clicks" with GM salespeople,** too, because it's so easy to demonstrate its benefits — right in the showroom.

## **"click"**

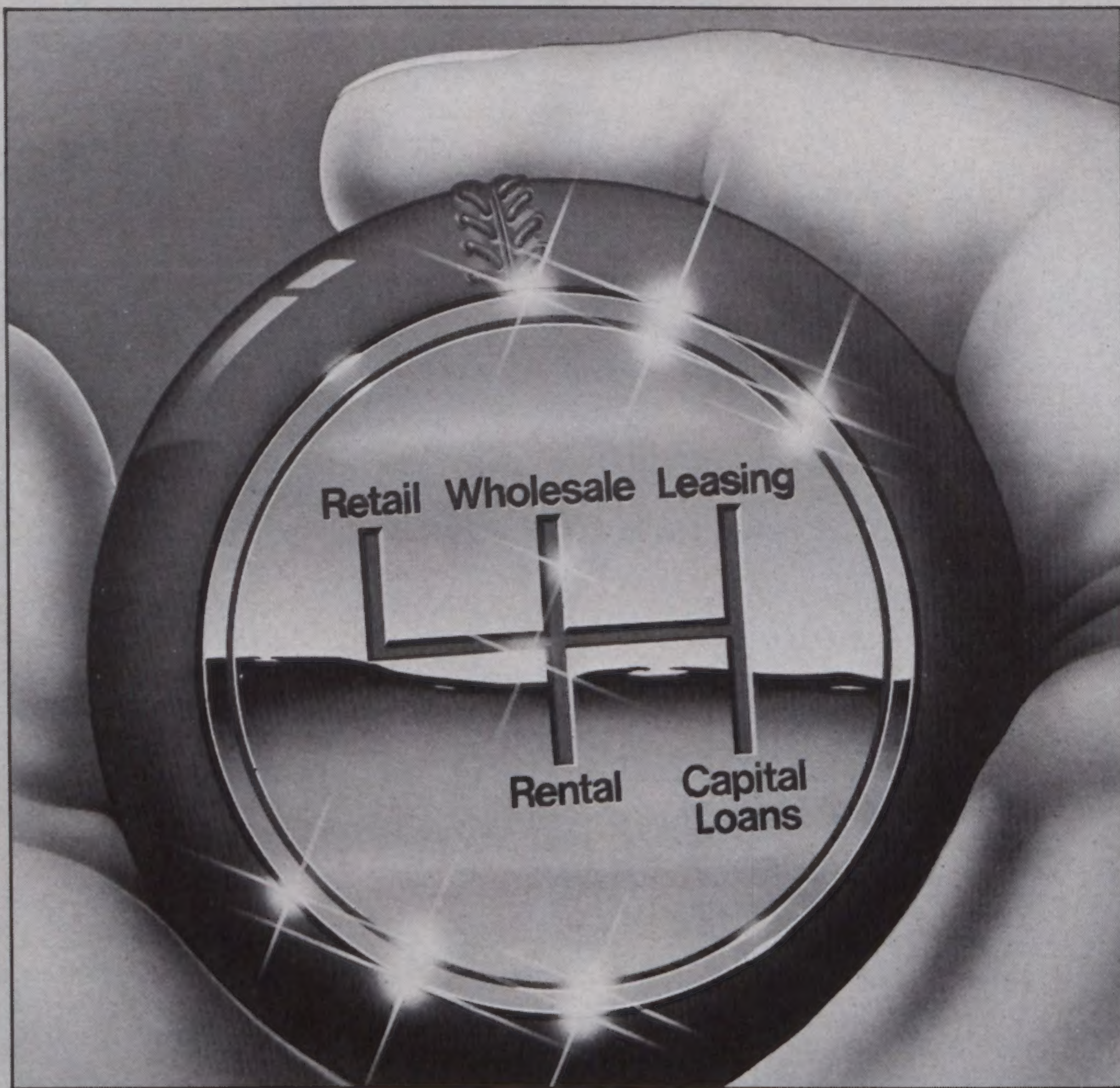
**With six-position Saginaw Tilt-Wheel,** sales quickly "click" into place.

# **Tilt-Wheel**

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yet costs so little.







# Complete financial services geared for GM Dealers only.

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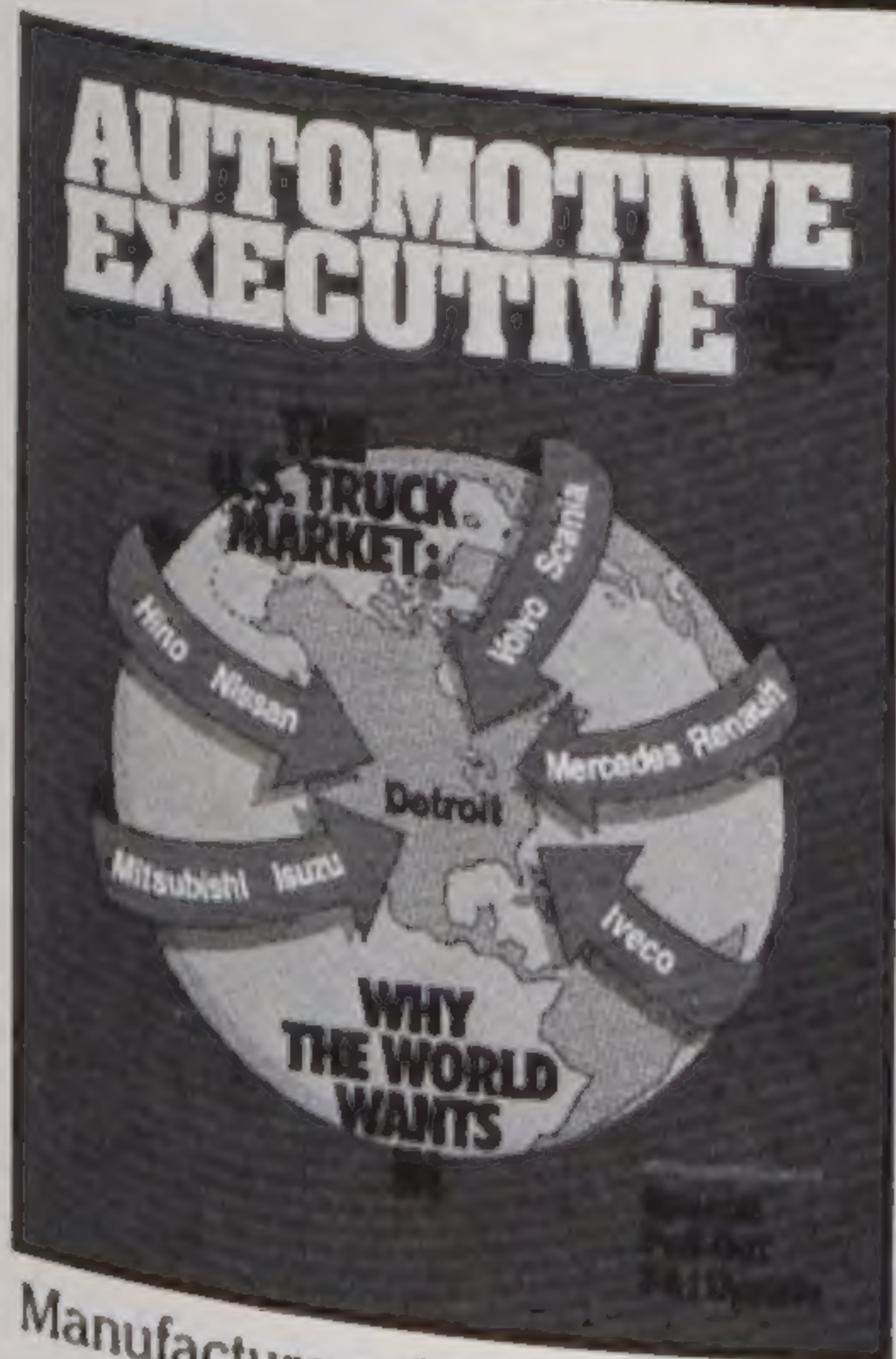
Together we have stood the test of time. And more important, of *these* times.

**GMAC**  
THE FINANCING PEOPLE  
FROM GENERAL MOTORS



# AUTOMOTIVE EXECUTIVE

Official  
Publication  
of the National  
Automobile  
Dealers  
Association



Manufacturers depicted on the cover are representative of the new competition in the U.S. medium- and heavy-duty truck market

Cover by  
Bono Mitchell Graphics

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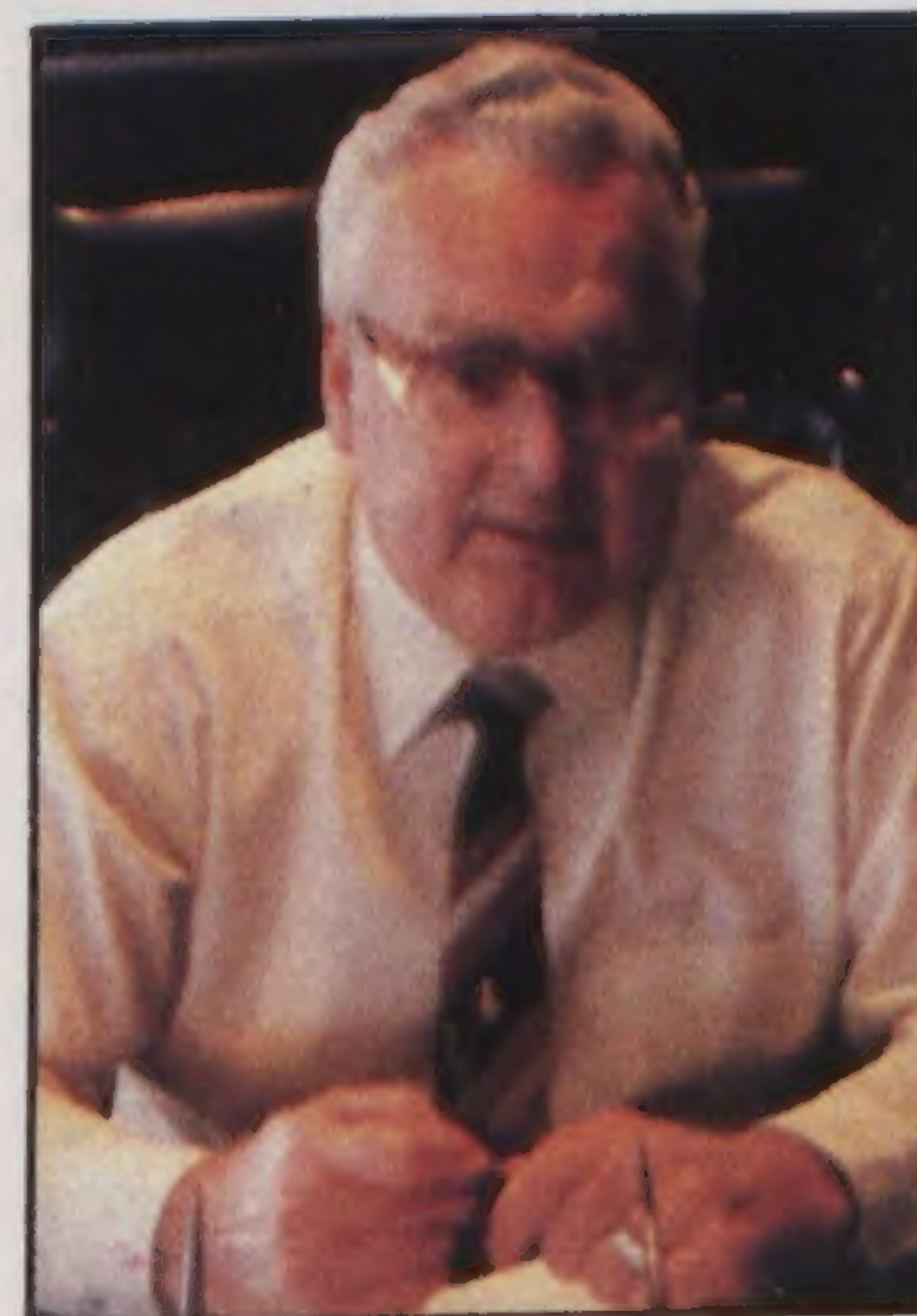
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Circle #58 on Reader Service Card



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## NADA Commentary

### The Subject Is Taxes . . .

. . . and each dealership and small business across the country is feeling the effects of 1984 tax legislation and recent IRS rulings in regard to business deductions.

Dealers and their employees have expressed disgust over new IRS rules on the treatment of cars used as demonstrators. More to the point, dealers are outraged by the contemporaneous record-keeping requirements imposed by the IRS on business use of cars.

Congressional sources tell us that no single issue in recent memory has provoked such universal negative reaction as this requirement for a business-use log. And the outrage extends beyond dealers.

Twenty-six separate bills have been introduced to repeal the IRS regulations as well as the legislation which caused the entire uproar.

*Nation's Business*, the magazine of the U.S. Chamber of Commerce, reports that one computer company executive told Congress that record keeping would cause his company to use at least a railroad car of paper each year to meet the IRS requirement.

In Louisiana, an air-conditioning firm owner is quoted as estimating an annual cost of \$25,000 to prove to IRS that his six refrigeration service trucks are actually used for business purposes.

The most direct comment came from a Wisconsin metal products executive who said his secretary already had more than enough to do without having to type up forms because he drives the company car home at night.

H.R. 600 has gained the most significant national publicity among U.S. business executives and has the largest number of congressional cosponsors to date. It promises to eliminate the IRS record-keeping requirement by legislation, and it has become the rallying point for current tax change efforts.

But dealers and others must not lose sight of some other, real problems posed in the new IRS regulations as well as other 1984 tax changes during the fight over record keeping.

Unless the original tax legislation is repealed, IRS may still require records to justify business-use credits claimed on company or individual tax returns. Yep, that's right! Simple elimination of the IRS contemporaneous record-keeping requirement will not eliminate your need to track business or personal use of such vehicles. That change will require specific legislation.

Now, under 1984 tax law, dealers are responsible for withholding employee wages for personal value of any company or business vehicles. And this requirement applies to all businesses. For example, a rancher who buys a pickup truck for a worker's use must determine withholding amounts for that employee's personal use of the vehicle. Without change, this requirement promises a record-keeping nightmare for all U.S. business. H.R. 600, by itself, will not change this requirement.

Finally, everyone in this industry must consider a potentially larger issue posed by these taxing arrangements.

Will the new personal and business tax liability represented in the 1984 tax legislation and the IRS regulations result in substantial reductions in new-vehicle sales to individuals and to business fleets? And, if sales are reduced because of increased business tax liabilities, could the combination bring about a new auto industry downturn and the risk of economic recession?

In our opinion, these latter issues should be the focus of dealer interest. Contemporaneous record keeping is really only a sidelight to issues of major concern for our industry and this nation. All dealers should lend support to their resolution.

—Pete Lukasiak



# 20-Group Ideas

## Idea book

Today is a good time to become a 20-Group dealer, with the new NADA 20-Group Idea Book fresh off press. This year's book has 102 of the best ideas brought to the 20-Group meetings during 1984. As always, this book is available only to members of the NADA 20-Group program. ■

## "Floating" worker

Lawrence Pickett of Prestige Pontiac Inc. in Jacksonville, FL, recently instituted a progressive program of hiring an additional clerical worker who "floats."

This employee begins the day by serving juice and coffee to service department customers. He or she then moves to the F&I department to assist in such duties as verifying information on forms (including insurance coverage, lien payoffs and other documentation necessary to title the car correctly) and processing the actual bill of sale on the F&I machine. This frees the F&I manager to meet with more customers, resulting many times in converting the customer from cash or outside financing. This floating employee is also a backup for other positions, i.e. telephone operator. ■

## Reducing advertising expenses

Jerry Golinvaux of Roseville Chrysler-Plymouth in Roseville, MN, has found a way to reduce advertising expenses by 25 percent or more. Each year, the dealership negotiates with television and radio stations to place an annual deal. A contract, which is subject to adjustment, is signed.

Golinvaux has found that November to December is the best time to talk with stations, since that's when stations are starting to sell the after Christmas, January through March, period, which traditionally is slow for the media. For 12 months, the dealership estimates a 25-to-30 percent savings using this method, totalling approximately \$65,000. ■

## No-cost advertising

At Fitzgerald Ford Inc., in Gig Harbor, WA, quite a bit of daily traffic goes through the service department, but these people rarely see the showroom or seek

out a salesperson. In order to stimulate more sales, Kevin Fitzgerald recently installed display boards and literature at the service write-up counter, the parts counter and in the waiting room. Five vehicle pictures are displayed, using price leaders. The board is changed according to supply and demand. ■

## Communication tapes

Eddie and Mike Steven of Steven Chrysler Plymouth Inc., Wichita, KS, have set up a video cassette recorder in their dealership's meeting room. They record most meetings so tapes can be played for other employees later. Recorders equipped for copying are available, so tapes can be edited for the sales force or other employees. According to the owners, "We feel this program improves communication among the owners, managers and employees, and resolves a major stumbling block that auto dealers have." ■

## Service follow-up

Lew Webb Sr. of Toyota of Cerritos, Cerritos, CA, employs a specified customer follow-up system:

1. After a customer has picked up the repaired vehicle, a copy of the repair order is given to the service follow-up clerk.

2. Each day the follow-up clerk contacts each service customer from the previous day (this is done during the late afternoon and early evening hours when people are usually at home). The customers will have had one day to drive their vehicle and evaluate the repairs. All comments regarding the service work are noted on the copy of the repair order, which is then returned to the service manager's office.

3. All complaints are reviewed by the service manager and the service writers.

4. Major complaints are handled by the service manager, minor ones by the service writers. Often a misunderstanding can be corrected by calling the customer. In cases where the customer is still dissatisfied with the repair, or the vehicle is not performing correctly, the customer is asked to return with the vehicle so the problem can be corrected to the customer's satisfaction. □

# TRADE TRIVIA

So you did pretty well on our first couple of trivia columns? Well, see if you can answer all of these.

1. When and where was the first school for auto mechanics established? By whom?

2. Who was the first U.S. President to drive an automobile?

3. What was the percentage of open models (roadsters, convertibles) sold in 1919: 10, 50 or 90 percent?

4. What was the percentage of closed models sold in 1929: 10, 50 or 90 percent?

5. Match the dates with these voluntary (pre-government regulation) safety developments:

- |          |                               |
|----------|-------------------------------|
| a. 1910s | 1. sealed-beam                |
| b. 1920s | headlights                    |
| c. 1930s | 2. safety belts               |
| d. 1940s | 3. rear-view mirror           |
| e. 1950s | 4. laminated windshield glass |
|          | 5. padded instrument panels   |

6. What was the last year for the mighty Cadillac V-16?

7. How many gallons are in a barrel of oil?

8. What percentage of Americans say they support the national 55 mph speed limit?

9. What percentage of Americans admit they drive faster than 55 mph?

Answers: 1. The Detroit YMCA had the first school in 1904.  
2. Theodore Roosevelt, 3. 90 percent, 4. 90 percent, 5. a-3; b-4; c-1; d-5; e-2, 6. 1940, 7. 42, 8. 76 percent, according to the most recent Gallup poll, 9. According to the same poll, 60 percent speed.



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# Executive Notes

## Court restricts brokers

■ The Maryland Court of Appeals recently dealt a setback to that state's auto brokers when it ruled that only salespeople who are employees of a dealership may sell cars.

In a unanimous decision, Maryland's highest court said that United Buying Service—a firm that helps clients buy cars from dealers at discounted prices—must end its operations because its agents are in fact salespeople. Under Maryland law, auto salespeople may sell cars and trucks only if they are employed by an auto dealership.

"What we were trying to do here was keep control of the sales situation," says Avery Aisenstark, Maryland assistant attorney general. "We don't want every Tom, Dick and Harry 'bird-dogging' customers for dealers—which could happen if the licensing of agents were to continue."

UBS also has operations in Colorado, Virginia, New York and the District of Columbia. Wisconsin is the only other state where licensing restrictions are similar to those in Maryland.

## A Canadian first

■ "It's unique in Canada to the best of my knowledge," said Ken Wright of the McElhanney Group Ltd., referring to the new auto mall project the company is working on in Richmond, British Columbia.



More than 250 exhibitors attended *Automotive Executive's* special lunch during the recent NADA convention. The lunch, which took place on exhibit set-up day, was our way of thanking advertisers for their support during the year.

Owned by a group of auto dealers, the 22-acre site has been subdivided into some 11 parcels around a one-way, four-lane loop road to provide "one-stop" shopping. Also on the site will be an allied services building containing tenants in auto-related businesses and including a bank, auto insurance and a restaurant.

The Richmond Auto Mall will feature Ford, GM, Nissan, Toyota, Honda, Subaru, Volvo, Mazda and Volkswagen products. Dealers each bought their own lots and will put up buildings to design guidelines prepared by the management group.

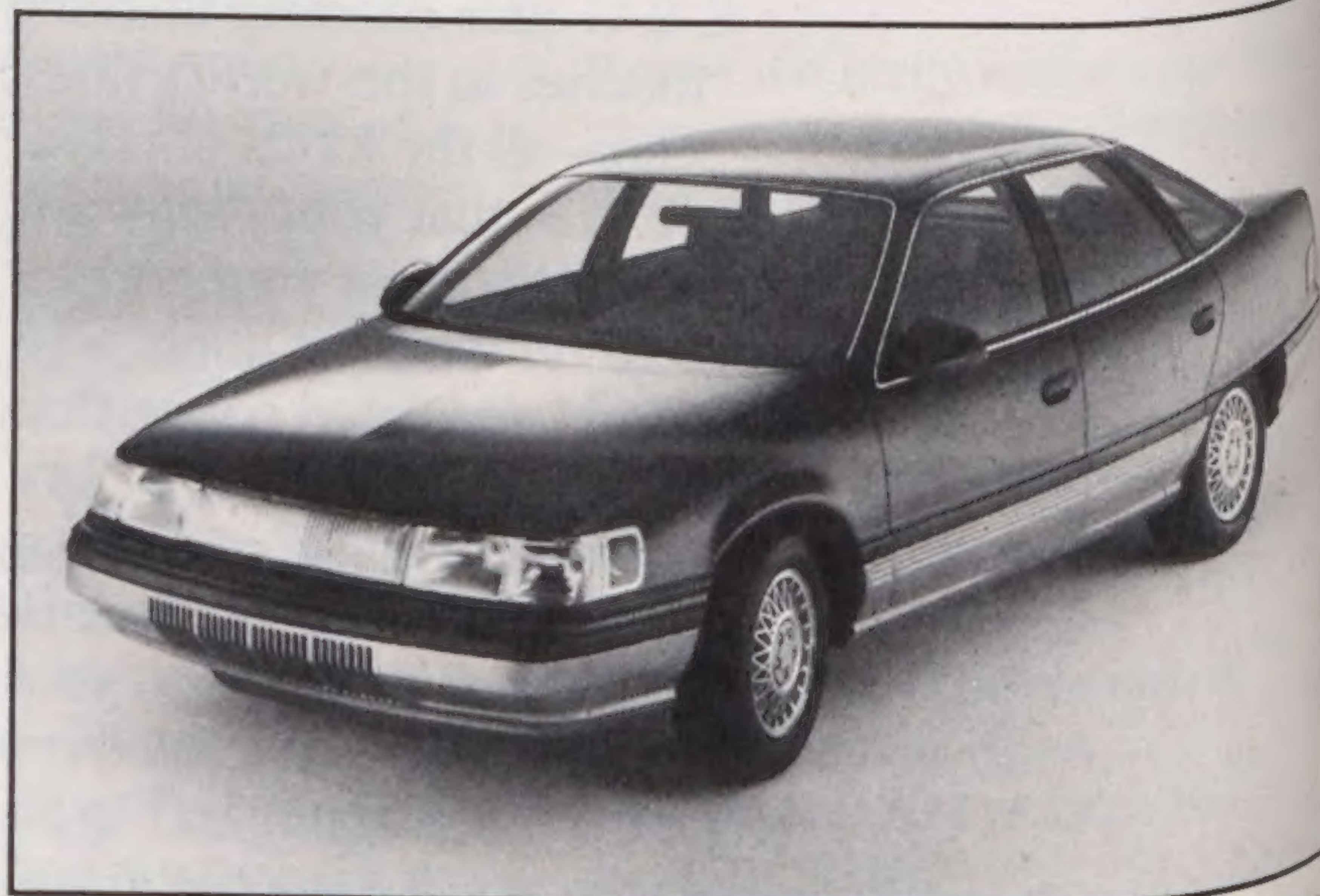
The project was modeled after similar auto malls in California. The first dealerships should be operational by this spring.

## Taurus/Sable

■ Phillip Caldwell's swan song, the Ford Taurus and sister car Mercury Sable, may end up being his most notable achievement as the chairman of Ford Motor Co.

Unveiled spectacularly on the "Gone With the Wind" stage at MGM Studios in Los Angeles, the Taurus and Sable represent a \$2.9-billion investment by Ford to capture a greater share of the baby boom generation as well as more traditional buyers.

"By every standard of objective measurement," Caldwell said, "we know that Taurus and Sable are best-in-class, best-in-segment. No six-passenger family car is better, either absolutely or in feature content. In our opinion,



The all-new 1986 Mercury Sable is the latest member of Lincoln-Mercury's "aero" family.

these are what contemporary family cars ought to be."

Taurus and Sable should reach showrooms this fall.

## "Quantum leap"

■ The creation of General Motors' Saturn Corp. signals a "quantum leap forward" in the U.S. auto industry, according to David Cole, director of the University of Michigan Office for the Study of Automotive Transportation.

"Saturn is a graphic demonstration of a new entrepreneurial approach to business," Cole says. "The breaking up of companies into more manageable units is a necessary response to Japanese competition. It will be interesting to see how far Saturn goes beyond Japanese methods of production and technology."

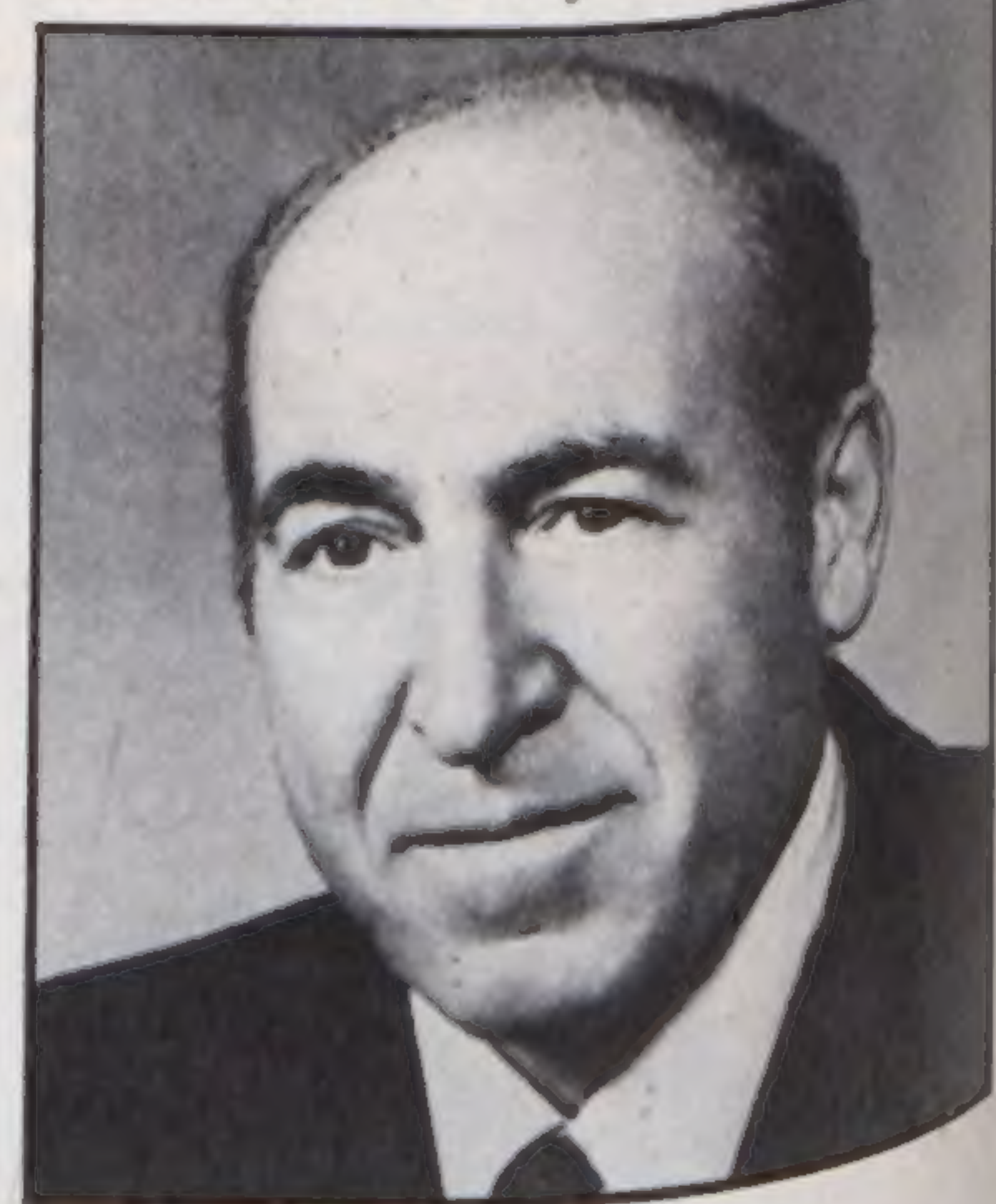
While Saturn is highly visible right now, "it is significant that the other major U.S. manufacturers are well along in the development of similar programs," adds Cole. "This rapid shift in the industry is necessary because the country's only alternative is to lose a major part of the auto industry and all its related jobs."

## Adduci takes helm

■ V.J. Adduci, president of the Motor Vehicle Manufacturers Association (MVMA), has been elected chairman of the Automotive Hall of Fame. He succeeds Drex D. Minshall, who was chairman from 1981 to 1984.

Late last year Adduci also was elected chairman of the National Commission Against Drunk Driving. Adduci was also an original member of the Presidential Commission on Drunk Driving, which President Reagan formed in 1982.

Adduci has been president of MVMA for seven years.



V. J. Adduci

## Vehicle recalls

■ More than seven million vehicles were recalled in 1984 for safety-related defects, according to the National Highway Traffic Safety Administration (NHTSA).

Figures compiled by NHTSA show that the total number of cars, trucks, buses, recreational vehicles and motorcycles recalled was 7,220,000 in 164 separate recalls.

Slightly more than six million vehicles were recalled in 1983.

NHTSA Administrator Diane K. Steed said the agency's actions and investigations influenced the recall of 4,468,000 of the 1984 vehicles in 22 separate actions.



## Dealers in the news

### • Anniversaries:

#### 60 years:

\*Bob and Diane Smith, Fred W. Smith Dodge, Wakefield, RI

#### 50 years:

\*Phil Leyda, Leyda Motors Inc., Richland Center, WI

\*Les Vogel Jr., Les Vogel Chevrolet, San Bruno, CA

\*Harry E. Yeomans, Yeomans Garage, Norton Hill, NY

\*F. Bernie James, James Oldsmobile Inc., Charleston, SC

\*Ken Evenson, Herb Olson and Dennis Olson, Braham Motors Sales, Braham, MN

\*Mary Ellen Johnson, Johnson Chrysler-Plymouth, Fort Pierce, FL

\*I. H. Morgan, Austin Motor Sales, Austin, IN

\*John R. Bonner, Bonner Chev-

rolet, Kingston, PA

\*Ronald F. Brockhoeft, Brockhoeft's Chevrolet, Gross Tete, LA

\*Haywood M. Davis, Davis Auto Co., Fort Wayne, IN

\*Bernard A. DeLamar and James H. DeLamar, H. B. DeLamar Chevrolet-Oldsmobile, Prescott, AZ

\*Al Peebles, Dunbar-Ingall Chevrolet, Lyons, OH

\*Will Smutz, Howell-Smutz Chevrolet, Eden, NY

\*William H. Mason, Strickland Mason Chevrolet-Buick, Rittman, OH

\*Harry S. McNatt and Ralph D. McNatt, McNatt Pontiac, Odessa, DE

\*T. Buford Mitchell and Wallace H. Mitchell, Mitchell Chevrolet, Fuquay-Varina, NC

\*Walter F. H. Nobbe, Nobbe Chevrolet-Buick, Waterloo, IL

\*Crawford H. Blakeman,

Charles C. Blackman and Robert W. Blackman, Pinnacle Motors, Middlesboro, KY

### 25 years:

\*Richard C. Bennett, Bennett Pontiac-GMC Motors Inc., Great Falls, MT

\*Lou Canape, Canape Bros. Inc., Hudson, NY

\*Richard M. Coon, Coon Chevrolet-Buick Co., Martin, SD

### • Awards:

\*Holmes Tuttle Broadway Ford Inc., Tucson, AZ, was presented the 1985 Grand Award for Outstanding Support of Traffic Safety at the recent NADA convention. The award was given by the Dealers Safety & Mobility Council, an affiliate of the Highway Users Federation.

The second highest honor in the safety category, an Award of Excellence, went to Mossy Oldsmobile Inc., Houston, TX, and Don Beyer Volvo, Falls Church, VA. Receiving Awards of Merit were Steve Smith Pontiac, Fairfax, VA, and Butler County Motor Co., Butler, PA. Judges Special Citations went to Rico Motor Co., Gallup, NM; Bill Cairns Pontiac, Marlow Heights, MD; and Ladendorf Motors Inc., Des Plaines, IL.

Receiving the Dealers Safety & Mobility Council's Grand Award for Outstanding Support of Driver Education was Dale Sisk Olds-Cadillac-GMC Inc., Nacogdoches, TX.

Awards of Excellence in this category went to Bill Cairns Pontiac, Marlow Heights, MD; Royal Oldsmobile Co. Inc., Stone Mountain, GA; and Phil Timberlake Oldsmobile Inc., Buford, GA. Receiving Awards of Merit were Piehler Pontiac Corp., Rochester, NY; Hickman Datsun Inc., Chamblee, GA; and Phillip's Chevrolet, Frankfort, IL. A Judges Special Citation went to Kline Oldsmobile Co., Roseville, MN.

\*Also announced at the NADA convention were the winners of the 1985 TvB/NADA Commercials Competition:

Patrick, Schaumburg, IL, winner in TV markets (largest) 1 to 50.

O'Daniel-Ranes Oldsmobile Datsun, Evansville, IN, winner in TV markets 51 to 100.

Tom Parsell Chevrolet, Charleston, SC, winner in TV markets 101 plus.

Metro Buick Dealers, Wayne-Oakland-Macomb Counties, MI, dealer association winner in TV markets 1 to 50.

Nebraska Southwest Iowa Chevy Dealers Association, dealer association winner in TV markets 51 to 100.

Central Coast Chevrolet Dealers Association, California, dealer association winner in TV markets 101 plus.

### • Around the USA:

\*Jim Dever, general manager of Clark Chrysler-Plymouth, Orlando, FL, has developed a unique animal adoption program called "Save-A-Pet." For every car and truck sold during April, the dealership contributes \$50 to an escrow account. The money is used to fund adoptions of pets by families who otherwise could not afford to do so. In 1983, the program's first year, Dever was able to set aside almost \$6,000, used to adopt over 190 cats and dogs. "Save-A-Pet" is now a yearly tradition at the dealership.

\*Beaman Pontiac-Toyota-Mitsubishi and Beaman Nissan of Nashville, TN, recently sponsored a seminar, Car Care for Women. The seminar featured local television and radio personality Ruth Ann Leach and attracted more than 225 participants looking for information on car purchasing and maintenance.

\*Four St. Louis-area Toyota dealers—Seeger, Lou Fusz, Jim Lynch and Metro—recently donated a van to help the Ronald McDonald House carry children and their families to and from hospitals. The Ronald McDonald House provides temporary lodging for out-of-town families of seriously ill children being treated at local hospitals.

\*King O'Rourke Cadillac, Smithtown, NY, recently donated a 1985 Cadillac DeVille to the Suffolk BOCES II Automotive Mechanics Program. The car will be used by high school students enrolled in a special auto technology program.

*"Dealers in the news" is a new feature in Automotive Executive magazine. Address your news items to Joan Rubin, assistant editor, Automotive Executive, 8400 Westpark Drive, McLean, VA 22102.*

## Artistic Corvette

■ Well-known artist LeRoy Neiman, in collaboration with Harv Lipman of Lipman Chevrolet, East Hartford, CT, has designed a special collectors edition of the Chevrolet Corvette. Only 25 of these special cars will be produced, each hand-signed and numbered by the artist.

The limited-edition Corvette has a special color theme of white and gold. The car features gold Corvette wheels and a small self portrait of the artist, done specifically for this car, on the side pillar of the top. Inside is a white leather interior, with a gold-leaf LeRoy Neiman signature at the top of the seats. A gold plaque with the edition number of each car is located on the white dash.

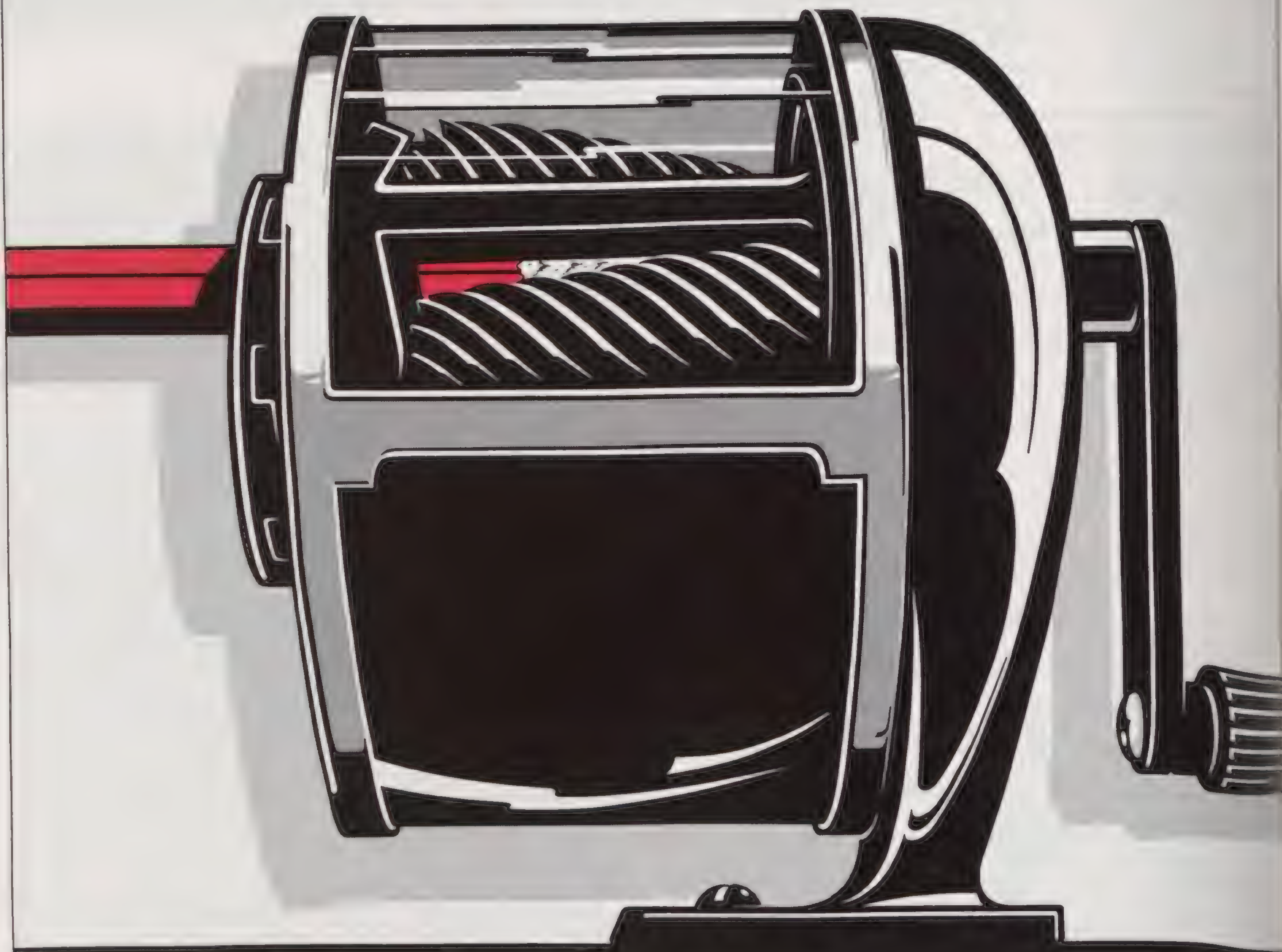
A transparency of Neiman's painting, "Rendezvous a la Corvette," is built into each white leather door panel and is back lit when the interior lights go on. Three hundred serigraphs of this painting will be produced, the first 25 of which will be included with the corresponding numbered Corvettes. The remaining serigraphs will be sold separately.

While designer editions have been done of various cars in the past, this is the first time a major artist has been involved in the finish and interior of a vehicle. Neiman himself will be driving the artist proof of this series. The LeRoy Neiman Collectors Edition Corvette will be marketed nationally by Lipman Chevrolet.





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# On the Hill

## The Gray Market: Telling It Like It Is

"Recently a customer brought in a modified import and complained of sickening fumes in the passenger compartment," Michael J. Jackson, executive vice president of EuroMotorcars, Bethesda, MD, testified. "We found that the catalyst had been mounted against the floor, without any heat shield, and the floor had become so hot the carpet was melting."

This was only one of several horror stories Jackson related to the Senate Committee on Commerce, Science and Transportation, which is holding hearings on the practice of importing nonconforming, gray market vehicles.

Jackson read into the record the highlights of the recent NADA dealer survey and told of his own experience with gray market cars. "In the last nine months, we

have seen 35 cars which exhibit some attempt at modification. Fifteen did not have sealed-beam U.S. headlights; only two had bumper reinforcement; none of the cars had safety belt warning devices; and 11 had side-door reinforcement—in some cases either bolted-in or of lightweight material."

In addition to the melted rug, Jackson gave the following specific examples of federalization. "Last week we observed a vehicle on which a rubber fuel line had been installed about an inch from the catalyst." There was also "a car with sheet metal screws in the door frame to give the impression that side-door reinforcement had been installed. However, the doors contained no reinforcement at all."

In 1983, this same committee favorably reported legislation that would have put an end to gray market imports. Unfortu-

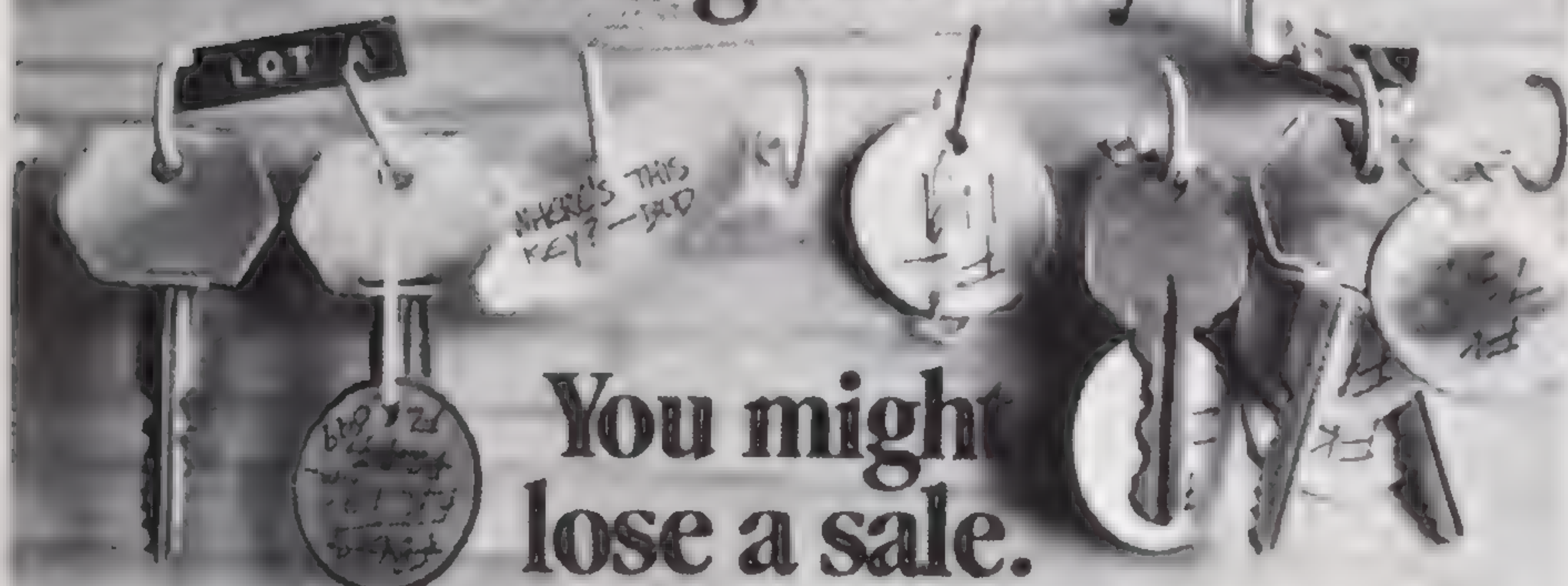
nately, the bill got attached to other automotive safety legislation and fell prey to political debates on air bags, bumper standards and the like. It is NADA's hope that Congress will now act quickly on this matter because, as Jackson reminded the committee, "the reasons for your action then are even more compelling today." ■

## Public Backs Belt Laws

NADA's support of safety belt laws over mandatory passive restraints turns out to be a position held by the majority of Americans. In a new Nordhaus Research study of 2,000 adults across the country, 68 percent were in favor of safety belt laws for the driver and front-seat passenger.

Conducted for Traffic Safety Now, the industry-sponsored group that is pushing  
(continued on page 14)

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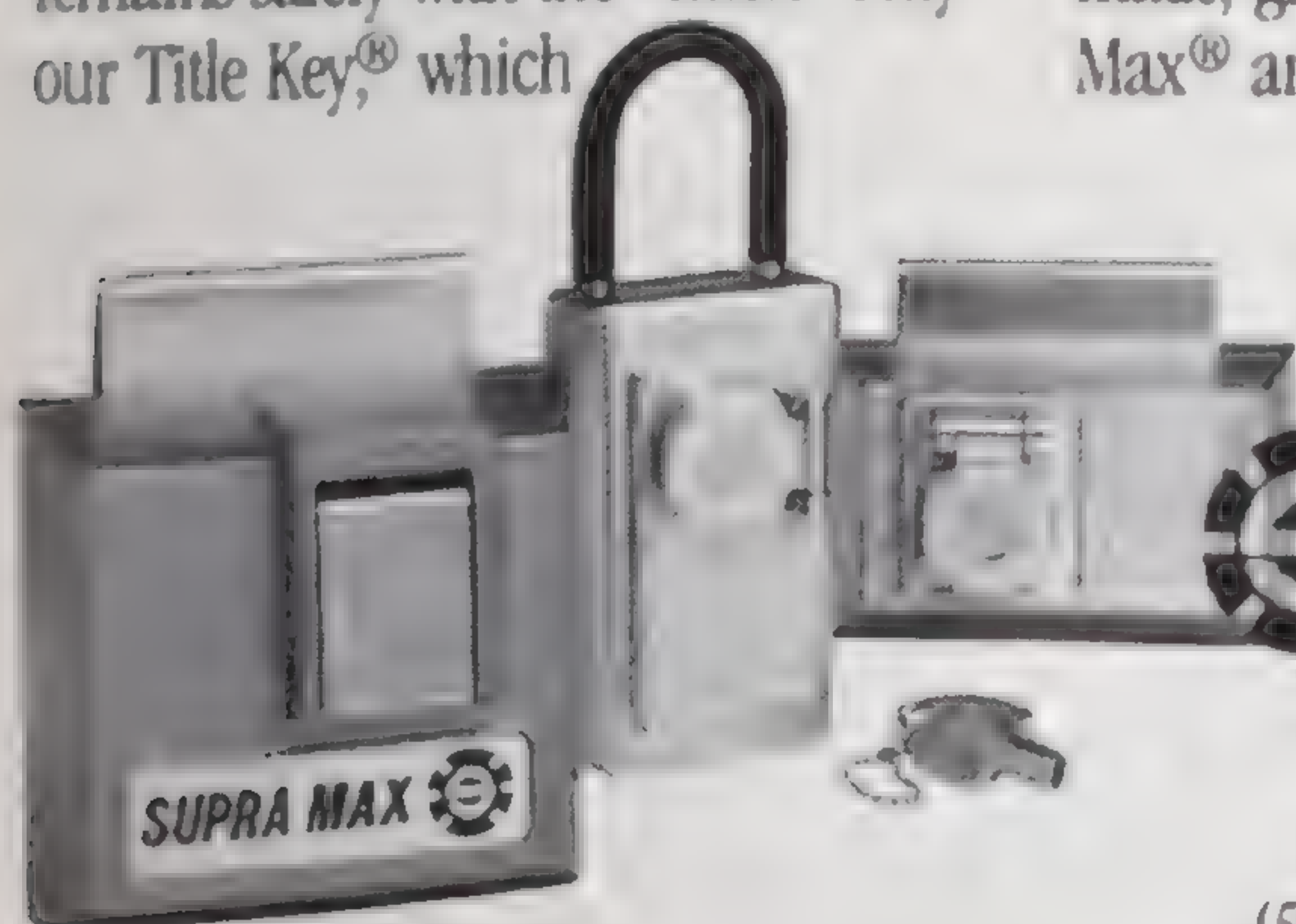
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(continued from page 13)

for safety belt laws, the study confirms that most people (86 percent) feel that many lives would be saved if everyone wore safety belts, and 83 percent said they would wear belts all the time if they were required by law. But only 19 percent of those surveyed actually wear their safety belts all the time, and half said they found belts uncomfortable, 47 percent said they were a nuisance and 46 percent were still under the misconception that safety belts often trap people in accidents.

Despite the heavy support for safety belts, the study points out the public still clings to many myths, underscoring the need for public education programs. Sadly, over a third of those questioned still believe it is possible to brace yourself for protection in crashes up to 40 mph,

when, in fact, more than half would be killed at that speed. And some 20 percent even believe that wearing a safety belt increases the chances of being hurt in an accident.

**"... the public still clings to many myths, underscoring the need for education programs."**

As far as air bags, 93 percent said they had heard of them, but only 8 percent said they were very familiar with them. However, safety belt laws were favored over air bags 49 percent to 38 percent, and this percentage rose to 56 percent vs. 27 percent when informed that safety

belts must still be worn with air bags for full protection. At a cost of \$300 for air bags, safety belts were favored 53 percent to 32 percent; at a cost of \$500, belts were favored 60 percent to 23 percent; and at \$800, the margin was 66 percent to 15 percent.

The Nordhaus study confirms an earlier poll by the American Automobile Association, which found members favoring mandatory safety belt laws over passive restraints by 67 percent to 27 percent. But the study also shows that misconceptions are still rampant and actual usage rates of safety belts low. With state safety belt laws now under consideration in some 40 states, it is vital that automobile and truck dealers get the word to their lawmakers and to their customers: we need safety belt laws now!

—Ted Orme

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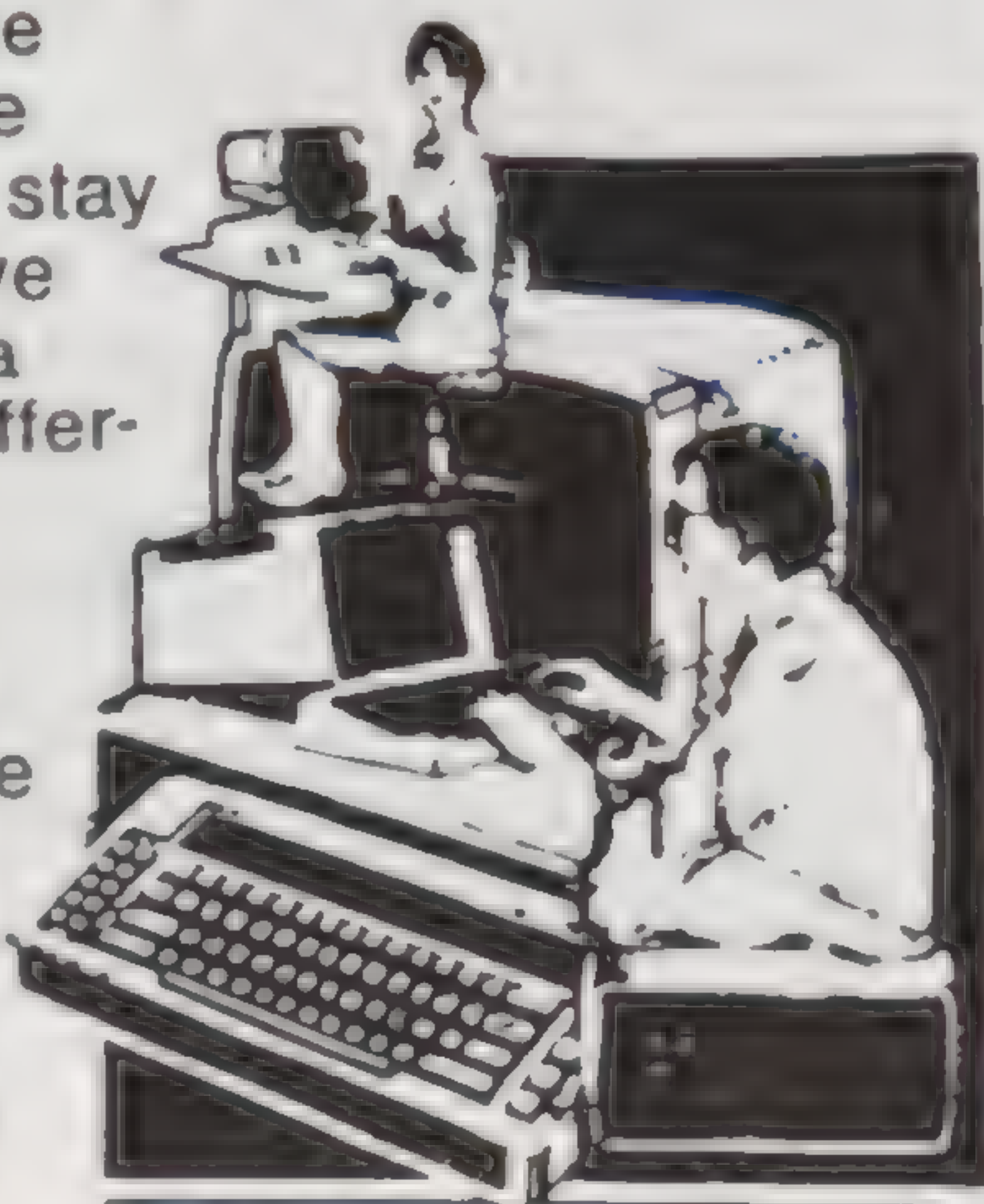
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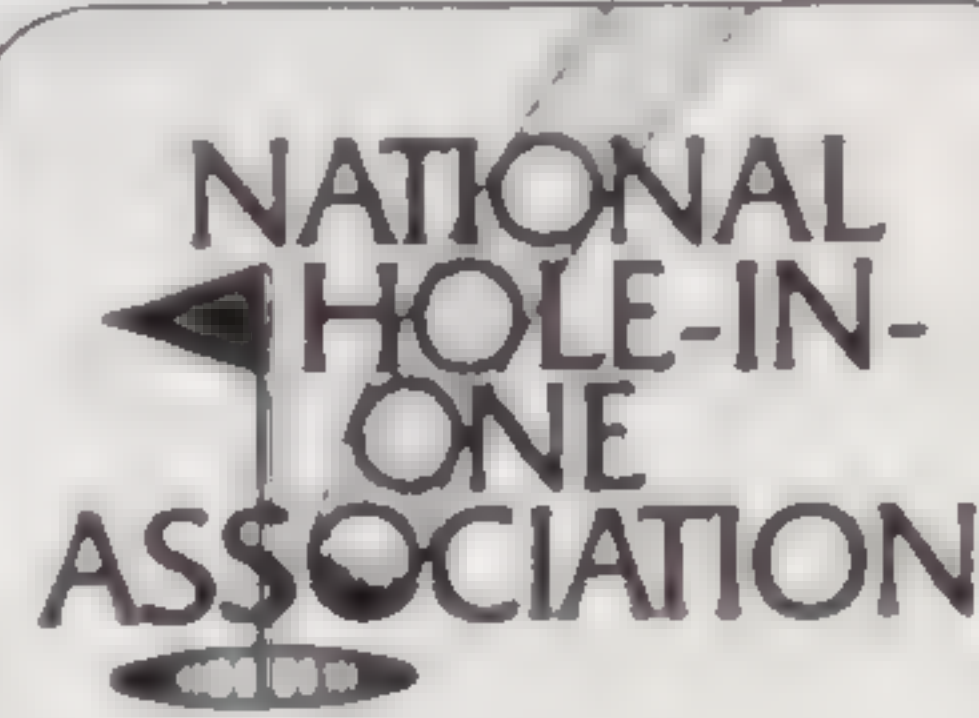
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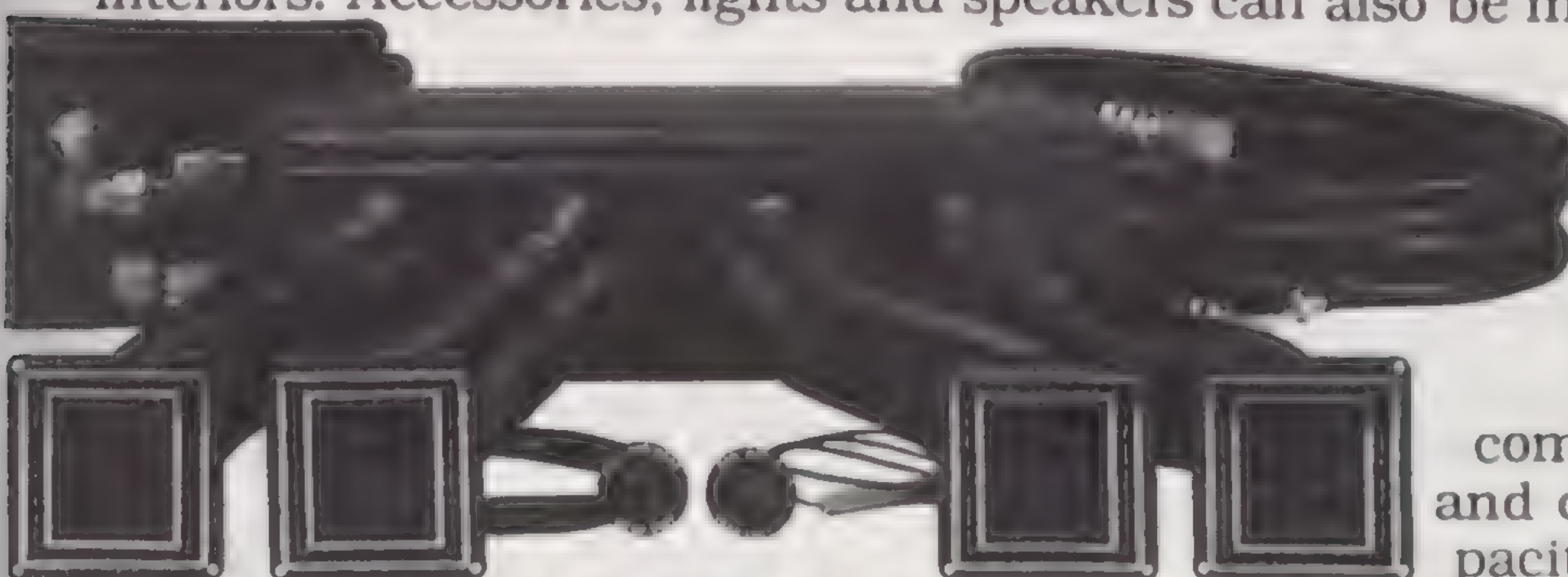
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The battlelines are being drawn, fortifications strengthened and strategies finalized. From Dallas to Detroit, Stuttgart to Stockholm, truck manufacturers are gathering forces for what may well be the most pivotal years in the industry's history.

# THE U.S. TRUCK MARKET: WHY THE WORLD WANTS IN

By Gerry Donohue

**M**ost manufacturers and industry experts agree that what happens in the U.S. truck market during the remainder of the decade will be decisive for all manufacturers—both foreign and domestic. Those who emerge from this battle victorious will control the world truck market.

None of the world's major truck manufacturers seems willing to sit out this battle. In the late 1970s and early 1980s, the major European makers moved into the U.S. market, buying up the weaker U.S. manufacturers. Now, a second invasion has begun, primarily from the Far East, but also from Europe.

## Overcapacity Forces Hand

Why are the foreign truck manufacturers willing to take significant risks to get a share of the U.S. market? Why have so many decided to compete in a market that is suffering an estimated 50 percent overcapacity and already has several well-established manufacturers? There are many reasons, but the primary one is that they have little choice. Foreign medium- and heavy-duty truck manufacturers look to the U.S. as their best and brightest opportunity, because their markets suffer from an even greater overcapacity.

In the recession that rocked the world in the early 1980s, the U.S. truck market was severely shaken, but has since recov-

ered. European and Third World markets, however, remain flat and there is little hope in the short term for an uptick. As Africa and Asia rode the tide of development in the 1960s and 1970s, their markets for trucks grew rapidly. European and Japanese manufacturers responded by establishing global production capabilities. When the recession hit, however, these markets quickly dried up and the manufacturers were left with production capabilities that were too large for their markets.

"They have to find a home for their overcapacity," says Duncan Brodie, general director of truck sales for GMC Truck and Coach Operations. "They see the U.S. as a lucrative and expanding market."





The U.S. market has experienced dramatic expansion over the past two years. In 1984, Class 8 truck sales totalled 136,919, a 67-percent increase over 1983's 81,647 units. Sales jumps in 1985 will not be as large, but some increase is expected. In Europe and the Third World, the market is expected to remain flat. Faced with this situation, foreign manufacturers really have no choice.

"We expanded our exports throughout the world. The only place left is the U.S.," says Nissan Diesel America Inc. President Tsunehiro Odeishi. "I agree it is very crowded, but we have heavy competition in every market."

One reason for overcapacity in the U.S. doesn't seem to scare foreign manufac-

turers is that the market is so large. They all believe they will be able to wrest some market share away from the domestics. In fact, almost all agree that it is the U.S. medium- and heavy-duty truck manufacturers that have the most to lose.

"Frankly, I think the domestics are going to be hurt by the influx of the Japanese," says Todd Bloom, vice president of marketing for Iveco.

In Class 8, where domestic producers hold a virtual monopoly, any foreign intrusion into the market will cut their sales and be a bonus to foreign manufacturers as they try to reduce their overcapacity.

"Every sale will be a big plus for them," says Harry Allen, a trucking industry analyst with Merrill Lynch.

#### Here to Stay

But the foreign manufacturers are not coming into the U.S. to try to gain a *small* share. They are coming in to stay and to grow. In recent months, Hino, Nissan Diesel, Isuzu and Scania have made moves to increase U.S. market share.

Hino trucks are assembled and marketed in five Southern states through an independent distributor—Hino America Distributors—in Deerfield Beach, FL. Hino Motors USA recently established a wholly owned subsidiary, Hino Diesel Trucks Inc. to market Hino trucks throughout the rest of the country. By 1989, Hino Diesel Trucks Inc. expects to import and sell more than 4,000 Class 6 and 7 trucks annually.



Sweden's Scania, the third largest exporter of Class 8 trucks in the world, also hopes to make major inroads into the U.S. According to Robert Sinclair, Saab-Scania of America president, the company's growth will be slow but steady.

"The entry is set for 1985, but the first year will be basically a year of planning," he says. "We have an enormous job ahead. We must build an (entire U.S. truck marketing) organization."

He believes, however, that Scania has the products to become a major force here. Sinclair points to increased concern for driver safety, lower noise levels and legislation permitting heavier trucks with increased width and length limits.

"All these changes imply an advantageous position for Scania trucks," he says.

Scania, however, is not the only maker that believes it has an edge. Each manufacturer, import and domestic, believes its products are superior.

"We have an edge in quality," says Scania's Public Relations Manager Len Lonnegren.

"I believe we have a more efficient product," Isuzu Truck of America President Shinichi Yamayoshi says.

"We are proud of our quality," echoes Nissan Diesel's Odeishi.

### New Strategies, New Markets

The foreign manufacturers also hope to create markets for themselves by selling into specialized sectors that the domestics have ignored.

Iveco's Bloom credits his company's success to its identification of the "phantom class" in the U.S. market, the light-duty Class 3 to 5 trucks. His company moved into this sector and has now established itself "firmly in the marketplace."

The Japanese hope to do the same by offering Class 6 to 7 diesel trucks as more efficient alternatives to Class 8s for short-distance hauling.

"This is an area where new demand could be created," says a Nissan Diesel spokesperson.

Not blind to the potential of the medium-duty diesel truck market, Gen-

## Sales of Heavy and Medium Duty Trucks



eral Motors last year contracted with Isuzu for a Japanese-built Class 6 diesel to be sold through GMC and Chevrolet dealers.

"We can now market a vehicle for which we didn't have any engineering costs," GMC's Brodie says. "I think it is good for the market and great for Chevrolet. It fills a gap in our product line."

The joint venture is also "great" for Isuzu, which is rapidly expanding its foothold in the U.S. Already, the Japanese company is selling imported Class 3 commercial trucks in the West, and it has announced plans to build a truck plant somewhere in the East. Once established, Isuzu could quickly position itself to sell a full line of trucks in the U.S., including Class 8s.

The success or failure of this Japanese marketing ploy—gaining a market share in a specialized market sector, usually the lower end, and then moving up line—could depend on their ability to underprice both the U.S. and European manufacturers. Merrill Lynch's Allen said the Japanese "have the capability to underprice" but have yet to do so in any significant way.

"When Hino came in, they didn't price their trucks lower than other similar trucks," says James Mateyka, an industry analyst at Booz-Allen & Hamilton. "They did, however, offer several options for free."

### U.S. Market Offers No Guarantees

The foreign manufacturers' willingness to take significant risks does not guarantee their success. In the U.S. truck market, the foreign manufacturers face some significant roadblocks.

"Anytime you enter a new market, it takes time to develop yourself," says Terry Young, Volvo White's director of corporate communications. "Those manufacturers entering the market face some big obstacles, such as defining a distribution network, not only for sales but for parts and service as well. For some it might be too late."

Volvo, along with Daimler-Benz and Renault, was part of an earlier successful invasion of the U.S. truck market. Theirs, however, was a different strategy. Initially, they tried to enter the U.S. market in the early 1970s with Class 6 and 7 diesel trucks. When they ran into trouble because of weak distribution networks, each purchased shares of other truck makers already established in the U.S.

"They needed distribution networks and did not want to spend 10 to 15 years to establish them," says Booz-Allen's Mateyka. "When the U.S. truck market turned sour in the late 1970s, the Europeans were poised to pick off the weaker U.S. truck builders."

Daimler-Benz bought Freightliner. Volvo took over White and Renault gained a controlling interest in Mack.



## **"They have to find a home for their overcapacity. They see the U.S. as a lucrative and expanding market."**

"Daimler-Benz bought Freightliner because it had a good distribution network and an excellent product reputation," says Peter Rupp, president and chief executive officer of Freightliner.

In today's market however, there don't appear to be any U.S. manufacturers vulnerable to takeover. International Harvester, financially the weakest of the domestic manufacturers, is too debt-ridden to be attractive. Further, this second wave of competitors is not interested in taking over established companies. Rather, they seem committed to establishing their own dealerships or dualing products with established truck dealers.

"From a marketing point of view, we will have to sell a whole line of product, but it is very difficult," says Niro Tamada, a marketing analyst at Nissan Diesel. "If we sell a whole line, we must prepare for parts and service. It is very difficult for car dealers to handle trucks. We will have to set up separate dealerships."

This need for parts and service networks precludes any plans foreign manufacturers may have had of establishing skeleton sales networks in the U.S. With commercial trucks, rapid parts replacement and service are a necessity. To be successful, foreign companies must build entire sales and service networks in the U.S., requiring both a long-term commitment and a significant investment.

### **Standardization: Wave of the Future?**

One way the Japanese and Europeans hope to reduce the cost of getting into the market is by standardizing their products. By reducing the almost infinite variety of options demanded by U.S. truck buyers, they will be able to reduce costs. The movement toward standardization has been somewhat successful in the medium-duty sector, but has been far slower in the Class 8s.

"Chief among the buyers rebelling against (the standardization) approach are the independent truckers, whose machines often serve as home and office," says Larry Strawhorn, engineering director for the American Trucking Associations. "The foreign-controlled com-

panies (have) backed off a bit, mostly to buy time and firm up their customer bases."

Without some degree of standardization, foreign manufacturers cannot hope to become powers in the U.S. Class 8 market, because establishing a pipeline from a foreign-based factory to the U.S. with spec'ed trucks would entail enormous costs. The Japanese may hope to entice buyers by selling standardized trucks with lower price tags, but Kenneth Smith, Ford general sales and marketing manager for heavy trucks, doesn't believe that will work.

"It will be very hard to come in and tell customers 'no specs' even if there is a cost advantage," he says.

Freightliner's Rupp, however, sees slight changes in the Class 8 market.

"Things are changing in favor of standardization," he says, "but it's not a revolution. Our company still offers 14 kinds of sun visors."

At Volvo White, "spec'ing" may actually work in favor of the foreign manufacturer, as Volvo engines soon may be available as an option in White trucks. Already, White trucks are equipped with some Volvo parts and sport the distinctive Volvo slash across the grille.

The domestic manufacturers' willingness and ability to accommodate spec'ing have contributed to the extremely good relationship they enjoy with their customers. Domestic manufacturers believe these strong customer loyalties will hamper the imports from recreating the Japanese passenger car "invasion."

"We have good reputations," says Ford's Smith. "The U.S. heavy truck industry has very good products. We don't suffer from a poor quality image like the car industry."

### **No Repeat of Japanese Car Invasion**

There are also several other crucial differences between the two markets. The Japanese broke into the passenger car market because of their cars' price diffe-

rential and low operating costs in a time of escalating fuel prices. In the heavy-duty truck market, there is no overwhelming operational cost factor, and the domestic heavy-duty manufacturers are addressing the price differential. International Harvester and Ford have both significantly reduced many of their fixed costs and lowered break-even points. In addition, the domestic manufacturers are moving toward reducing spec'ing on medium-duty trucks and are trying to increase the vertical integration in their manufacturing processes.

Further, heavy-duty truck owners do not buy as often as do car owners. Without this frequent turnover, it will be harder to break the foundation of customer loyalty.

In the U.S. truck battleground, however, one uncontrollable variable—the marketplace—could be the final determinant of what happens. Currently, the market is strong and able to absorb some additional competition, but when the demand dries up and the market flattens or even falls, the situation will quickly change.

"The truck industry is inherently cyclical," says Booz-Allen's Mateyka. "And you can expect the sales swings to get even more dramatic. The market will really sort out the winners and the losers. There is just too much capacity in the U.S. and the world for a basically no-growth marketplace."

Mateyka said the next economic downturn will "tell the tale." All the manufacturers will be here and they will have had a chance to have gained at least a small share of the market.

"There is a little window right now for foreign manufacturers to come into the U.S.," he says. "They have about 18 months to make all the decisions and contracts out to about 1991. Then, in about two years, we'll start to see who made the right moves and who made the wrong ones." □

*Gerry Donohue, NADA newsletter editor, is a contributing features writer to Automotive Executive magazine.*



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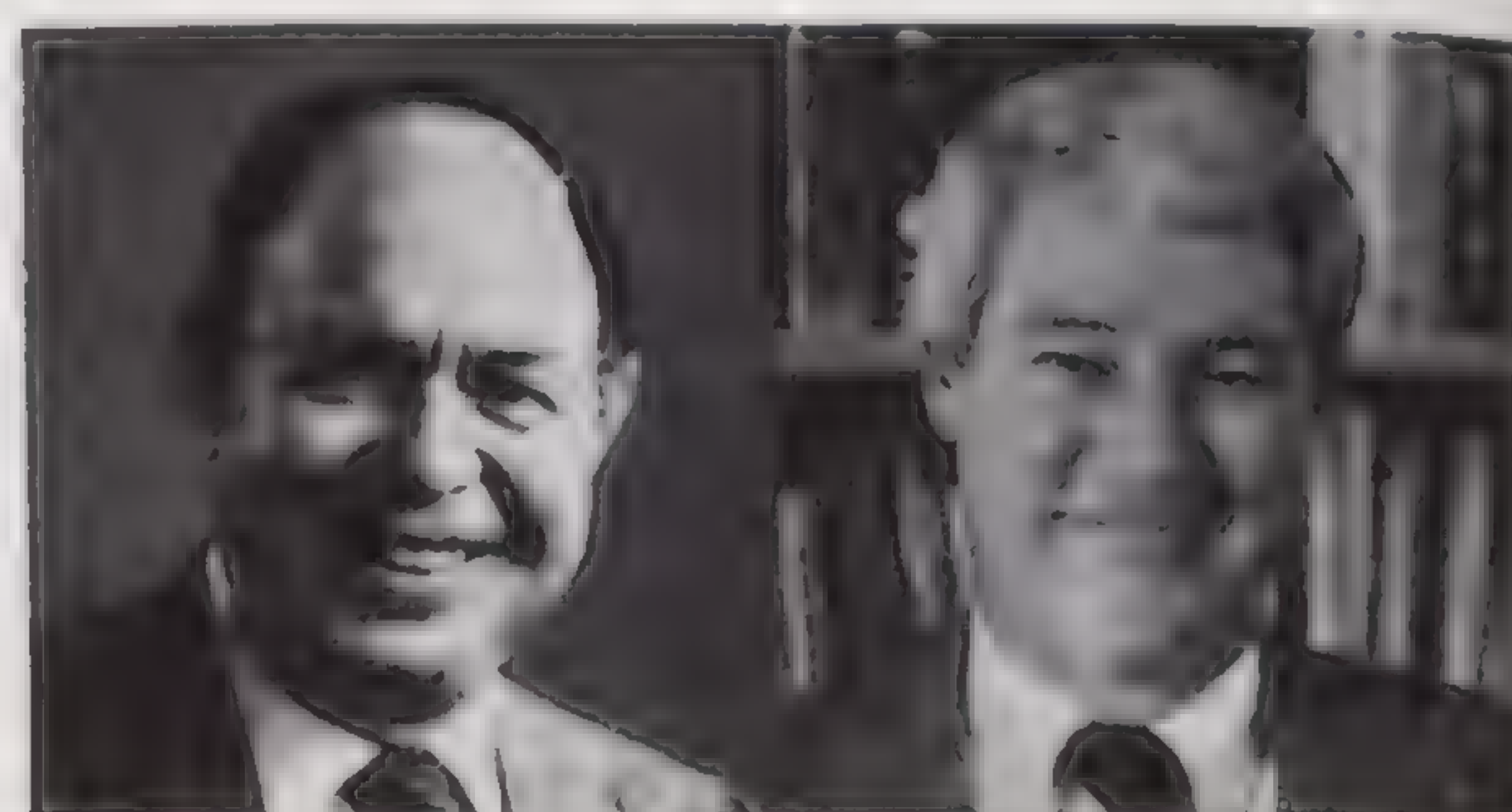
## 1984 Regional Dealers of the Year



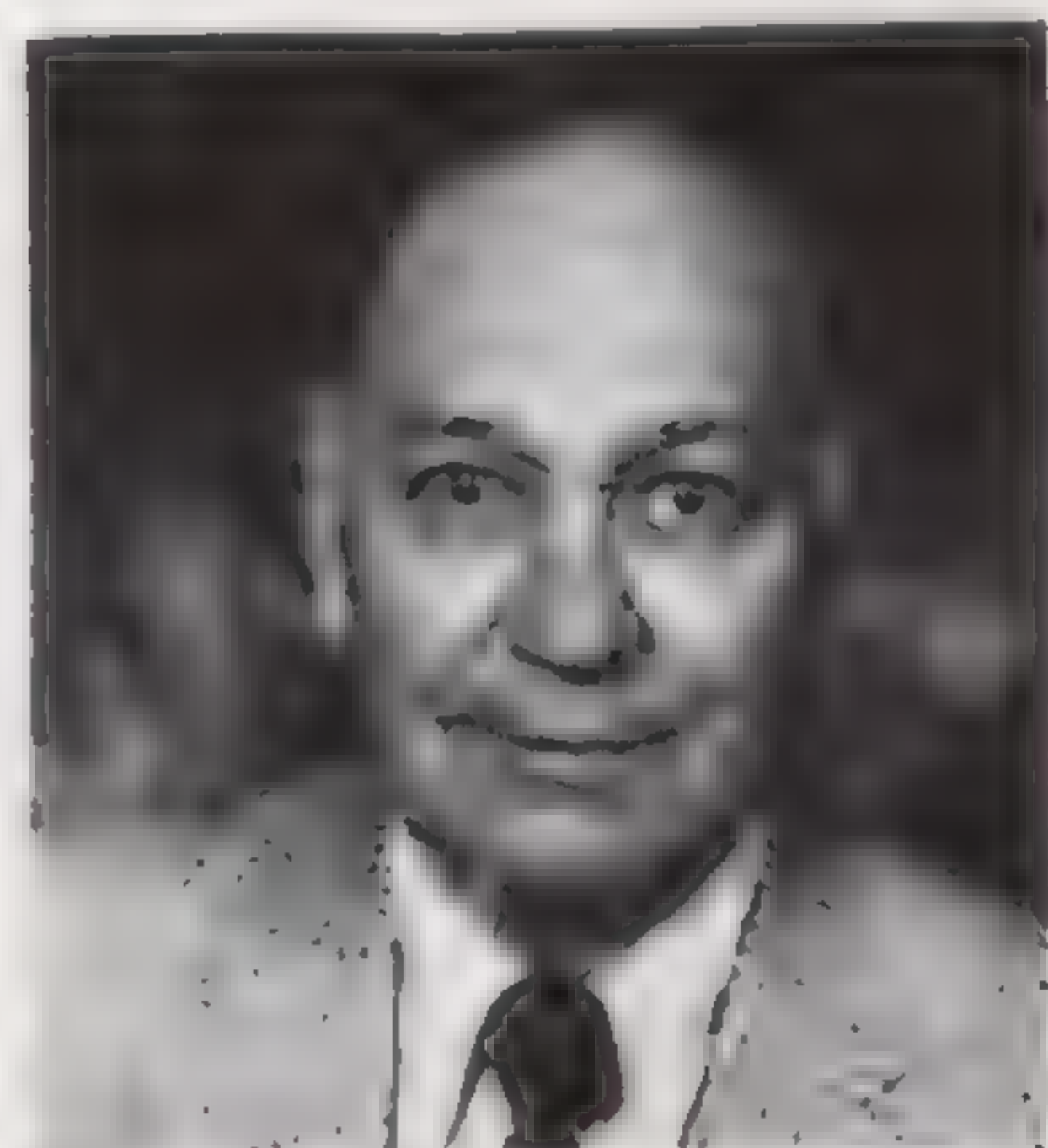
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# FTC & UPDATE

## FTC CREDIT PRACTICES RULE: BUSYWORK, BUT NO BURDEN ON DEALERS

By Robert Wade

**B**y all appearances, the new Credit Practices Trade Regulation Rule will result in additional busywork but impose no significant burden on dealers. Effective March 1, 1985, the law is a much "watered down" version of what the FTC had originally asked for, and is more acceptable from the dealer point of view.

Following is a summary of the major points affecting dealers; for more information, dealers should contact the NADA Legal and Regulatory Department at (703) 821-7030.

### Unfair Credit Practices

The rule states that it is an unfair act or practice for a lender or retail installment seller, including a dealer, to take or receive a consumer obligation which:

- contains a cognovit or confession of judgment (for purposes other than executory process in Louisiana), warrant of attorney or other waiver of the right to notice, and the opportunity to be heard in the event of suit or process.

- contains a waiver or a limitation of exemption from attachment, execution or other process on property held, owned by or due to the consumer, unless the waiver applies solely to a security interest executed in connection with the obligation.

- contains a wage assignment, unless it is revocable at will by the consumer, is a payroll deduction or preauthorized payment plan, or is an assignment of wages already earned.

- contains a non-purchase money security interest in household goods.

### Cosigner Notice Requirements

The rule contains a notice requirement for "cosigners." A "cosigner" is defined under the rule as a natural person who renders himself or herself liable for the obligation of another person without compensation. "Cosigner" includes any person whose signature is requested as a condition to granting credit to another person, or as a condition for forbearance on collection of another person's obligation which is in default. A "cosigner" is

one who enables a "consumer" to receive goods, services or money, but does not receive such goods, services or money himself. The term does not include a spouse whose signature is required on a credit obligation to perfect a security interest pursuant to state law.

The rule states that it is an unfair or deceptive act for a lender or retail installment seller, including a dealer, to:

- misrepresent the nature or extent of cosigner liability; or

- obligate a cosigner, unless the cosigner is informed, prior to becoming obligated, as to the nature of his or her liability.

In order to comply with the cosigner provisions of the rule, lenders, dealers and other retail installment sellers must provide a specific, written disclosure statement to the cosigner prior to being obligated. The cosigner disclosure statement must be a separate document and must contain the language set forth on the sample shown with this article. The rule does not contain any other requirements on type size, dimensions or color of the cosigner disclosure statement. While the rule does not require retention of copies of the disclosure statement, we recommend that cosigners acknowledge receipt on the statement and that a copy be retained by the dealer.





### **"Pyramiding" of Late Charges**

In connection with collecting a debt arising out of an extension of credit to a consumer, the rule considers it an unfair act or practice for a "creditor" to "pyramid" late charges. In other words, a creditor is prohibited from assessing or collecting any late charge on a payment which is otherwise a full installment payment made on the due date or within an applicable grace period, when the only delinquency is a late charge on a previous installment.

### **Recommendations For Dealer Compliance**

NADA makes the following recommendations to assist dealers in complying with the requirements of the Credit Practices Rule:

- If you haven't already done so, promptly review all installment sales contracts, deferred payment agreements, promissory notes and lease-purchase agreements used in consumer transactions to determine whether any such documents contain prohibited confessions of judgment, waivers of exemption, wage assignments or non-purchase money security interests in household goods. Particular attention should be given to forms prepared by banks and savings and loans which are not now subject to the requirements in the rule.

- Obligations containing any one or more of the prohibited provisions should not be used in consumer transactions, as of March 1, 1985. In the alternative, prohibited provisions may be stricken or deleted from the form, prior to use in a consumer transaction.

- Effective March 1, 1985, dealers must use a cosigner disclosure statement, in appropriate transactions as noted above. If cosigner disclosure statement forms are not available, dealers may reproduce and use the sample on this page.

- Avoid "pyramiding" of late charges, in the collection of consumer obligations, as of March 1, 1985.

### **NADA's Victory**

On April 11, 1975—nearly a decade

ago—the FTC proposed an industry-wide trade regulation rule to either prohibit or limit the use of certain creditor remedies in consumer credit obligations. The creditor remedies affected by the proposed rule included confessions of judgment, wage assignments, most non-purchase money security interests in household goods, waivers of exemption, "pyramiding" of late charges and recovery of attorney's fees.

In addition, under the rule as originally proposed, a defaulting consumer was entitled to have his or her account credited with the "fair market retail value" of repossessed collateral, such as a vehicle. In other words, a dealer would have been required to credit a defaulting consumer with the retail "book value" of a repossessed vehicle, irrespective of the actual condition of the vehicle and irrespective of whether the vehicle was disposed of by wholesale transaction.

Under a subsequent revision of the rule, recommended by the FTC staff, dealers, other retail installment sellers and lenders would have had to credit default-

ing consumers with the "best obtainable price" for repossessed collateral, before pursuing recovery of any deficiency judgment. As if the proposed provisions on repossession accounting and deficiencies were not bad enough for dealers, the FTC also proposed to require a three-day "cooling-off" period on all consumer credit obligations involving cosigners.

Throughout the nine-year history of the Credit Practices rulemaking, dealers and their trade associations vigorously opposed the rule. Needless to say, if previous versions of the rule had been adopted, the provisions on repossession accounting and deficiencies, restrictions on recovery of attorney's fees and the three-day "cooling-off" period would have had a disastrous impact on dealers. Furthermore, economic studies indicated that adoption of the original rule would have increased retail interest rates by 0.2 percent to 3.4 percent, translating into from \$11.50 to \$196.00 in additional finance charges per automobile loan, per year. This was one battle that had to be

## **NOTICE TO COSIGNER**

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of your credit record.

This notice is not the contract that makes you liable for the debt.

Date: \_\_\_\_\_

Receipt acknowledged: \_\_\_\_\_

\*Cosigner \_\_\_\_\_

Cosigner \_\_\_\_\_



won for the franchised dealer body—and it was!

On February 17, 1984, the Commission met to consider final adoption of a Credit Practices Rule. By a unanimous vote, the Commission deleted all provisions on repossession accounting and deficiencies from the rule, together with the proposed restrictions on recovery of attorney's fees and the three-day "cooling-off" period for cosigned consumer obligations. Deletion of such provisions from the rule satisfied all major dealer objections and represented a substantial victory for franchised dealers. □

*Robert Wade is NADA's associate chief counsel and director of regulatory affairs.*

## MARINE MIDLAND BANK DEVELOPS NEW FINANCING VEHICLE

By Gary James

**T**he recent sale of \$23 million in auto loan contracts by Marine Midland Bank represents the first step in the development of a new secondary market for auto loans. According to Peter Laqueur, senior vice president at Midland, such transactions may result in cheaper financing—both retail and wholesale—and may reduce the chance that dealers will get locked out of the market by local banks cutting back on the availability of financing.

In February, Marine Midland sold 4,000 car loans from its portfolio to Salomon Brothers Inc., a New York-based investment banking firm. Salomon Brothers repackaged the loans into Certificates for Automobile Receivables (CARS), and then sold them to a thrift institution.

"Through this transaction, Marine has developed a creative new financing vehicle that will serve as the prototype for the rest of the banking industry," says Patricia Jehle, vice president in Salomon's Mortgage Finance Department. "Because pension fund managers, insurance companies, small banks and savings and loans institutions have few comparable options in the 18- to 24-month maturity range, CARS make very attractive investments and are generating significant interest."

CARS is part of a growing trend on Wall Street toward "pass-through" securities backed by a wide range of consumer and commercial loans or receivables. The practice is common in the mortgage industry, where the advent of mortgage-backed securities attracted new investors to the market, increasing competition and pushing interest rates lower. Midland's Laqueur says he expects other banks to also start repackaging car loans, and says the practice may spread to other receivables, such as truck loans, trailer loans and perhaps even credit card loans.

"We broke the ice for a new market," Laqueur says. "CARS opens dramatic possibilities, and should benefit dealers and consumers by making more money available."

Laqueur says the packaging and sale of auto receivables is a logical extension of Marine's banking strategy. Through such loan sales, Marine gains additional asset-liability management flexibility. "Banks are known for jumping in and out of the car market depending on what happens to the prime rate. If CARS catches on, that will change, since banks under pressure from lack of capital will be able to convert their auto loans to cash. Not having to retain them all on their books means they will also be able to handle a higher volume. We'll see more continuity."

Cash flow from the loans Marine Midland sold will now go to the new investors. Laqueur says they were attracted by the high return of the loans—currently about 1/4 point more than Treasury bills—and by their short maturity. Marine Midland continues to collect a fee for ser-

ving the accounts, and Salomon profits from the difference between the purchase and sale price of the certificates. Laqueur estimates Marine Midland may sell as much as \$100 million of the new auto loan securities this year.

According to Laqueur, expansion of auto-related business has been targeted as a priority for Marine Midland, one of the 15th largest commercial banks in the U.S. and the largest bank financier of autos in New York state. Earlier this year, Marine Midland spent \$6.4 million to acquire First Leasing Corp., a California-based bank subsidiary with a portfolio of \$150 million in auto leases. First Leasing handles about 500 California new-car dealers, a significant addition to Marine Midland's network of 900 New York dealers.

Marine Midland Bank also has introduced an innovative auto loan with leasing features that can reduce car payments for consumers by up to 40 percent compared with traditional loan financing, says Laqueur. The loan program, known as the Reduced Auto Payment Plan, is being pilot-tested through selected auto dealers in New York state.

Under the program, the car's value at the end of the loan term is guaranteed and not factored into monthly principal payments. While interest is calculated on the entire amount loaned, the monthly principal repayment is calculated only on the portion of the loan covering the unguaranteed amount, thus lowering overall payments.

Using this financing approach, Laqueur says, borrowers should be able to buy more expensive cars, and auto dealers should find it easier to sell additional options, while still offering low monthly payments.

"For many would-be buyers, a car's sticker price is less of an obstacle than the amount of the monthly payment," says Laqueur. "Marine's new program puts affordable monthly payments within reach of many more people." □

*Gary James is the senior editor of Automotive Executive magazine.*



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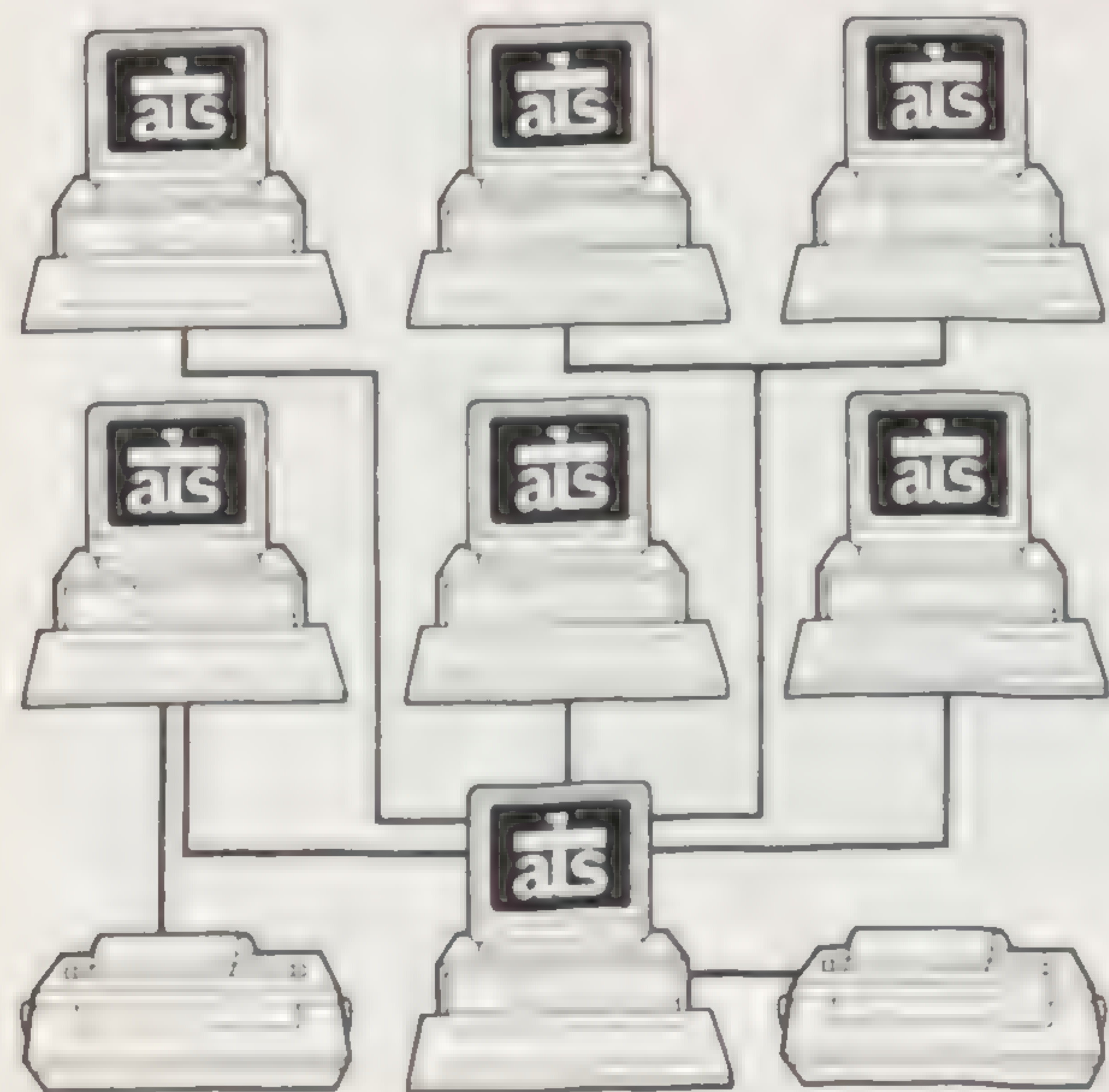
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With Team F&I, your sales people, your financing people, and your office people become an integrated super selling team. They get the lightning-quick answers and

convincing color graphics that make car buyers say yes. You get more sales. And more pack in every deal. Nothing else comes close.

So, what are you waiting for?

Call our toll-free 800 number now for all the particulars and a demonstration.

**1-800-523-5103**

In Pennsylvania 1-800-362-5538

AUTO TELL SERVICES, INC.  
600 Clark Avenue  
King of Prussia, PA 19406

**AUTO TELL SERVICES**



Circle #9 on Reader Service Card



**Dyatron Corp.**

210 Automation Way  
Birmingham, AL 35210  
(800)633-3625

*Charles E. Rueve, president and CEO*  
*Garry Paddick, vice president, dealer systems division*

Atlanta, GA (404)394-1408  
Pittsburgh, PA (412)487-5845  
Richmond, VA (703)680-2754  
Orlando, FL (305)295-0677  
Lexington, KY (606)223-4240  
Chicago, IL (312)355-4980  
Miami, FL (305)444-3415  
Dallas, TX (214)875-2416  
Minneapolis, MN (612)884-6779  
Los Angeles, CA (213)923-2217  
Colorado Springs, CO (303)597-3290  
San Francisco, CA (415) 325-6043

Dyatron offers F&I software for the IBM Personal Computer and its own Data General in-house system (CARSway II). Dyatron F&I features include cash down, contract terms, insurance, trade-in, interest rate changes, vendors, lending institutions, credit bureau inquiry, add-on rate controls, lease quotes, on-site training and daily, weekly or monthly reports. **Circle #16.**

**F&I Management Corp.**

4545 Fuller Drive  
Suite 230  
Las Colinas, TX 75062  
(214)256-5503  
(800)527-1984

*Don Cephus, president*  
*Robert Primeaux, assistant to the president*  
*James C. Mosebrook, senior vice president, sales and marketing*  
*Ronald J. Davidson, senior vice president, operations*

Marina del Rey, CA (213) 306-3838

F&I Management Corp. provides automobile dealerships with a complete range of products and services for the F&I department, including: credit insurance programs and dealer participation structures; life insurance company management programs; profitable vehicle service contract programs; and "The Success System," an income development and training program. **Circle #17.**

**Ford Motor Credit Co.**

The American Road  
Dearborn, MI 48121  
(313) 322-8166

*James W. Ford, chairman*  
*S. A. Seneker, president*  
*W. E. Odom, executive vice president*  
*J. P. Henley, vice president*  
*S. M. Poth, vice president*  
*V. J. Radzik, vice president*

141 branch offices in principal U.S. markets

Automotive wholesale and retail financing for Ford Motor Co. dealers. Red Carpet Lease and wholesale lease financing. F&I training systems; lease financing training systems; prospecting and floor traffic assistance; and life and accident insurance. **Circle #18.**

**General Electric Credit Corp.'s Automotive Financial Services Operation—General Electric Credit Auto Lease Inc.**

P.O. Box 310  
600 Hart Road  
Barrington, IL 60010  
(312)381-6600

*Dennis J. Carey, vice president and general manager, AFSO; and acting president and general manager, GECAL*  
*James J. Bolger, senior vice president-operations, GECAL*  
*James I. Giacomini, senior vice president-sales and marketing, GECAL*  
*Martin J. Koreck, vice president-sales, GECAL*

Anaheim, CA (714) 978-1648  
Dallas, TX (214) 669-9616  
Marietta, GA (404) 956-1777  
Barrington, IL (312) 382-6833  
Danbury, CT (203) 743-2998

GE Credit Auto Lease Inc. provides comprehensive financing packages, including leasing and inventory financing, to automobile dealers, leasing companies and import manufacturers. **Circle #19.**

**General Motors Acceptance Corp.**

3044 W. Grand Blvd.  
Detroit, MI 48202  
(313)556-5000

*Robert F. Murphy, president*  
*Raymond W. McCarthy, executive vice president*  
*G. Thomas Patton Jr., executive vice president*  
*Gordon R. Samardich, executive vice president*

300 locations in the U.S.

Wholesale and retail financing for dealers in GM passenger cars, trucks, buses and other GM products in the U.S., Canada and overseas; financing of leased or rented GM products. **Circle #20.**

**GM-Motors Insurance Corp.**

General Motors Building  
3044 W. Grand Blvd.  
Detroit, MI 48202  
(313)556-5000

*J. J. MacDonald, president*  
*J. A. Lescure, executive vice president, development*  
*J. J. Pero, executive vice president, finance*  
*G. S. Barquist, vice president, marketing*

Offices located throughout the U.S. and Canada

MIC, the insurance arm of General Motors, provides automobile insurance, including liability in selected states, mechanical repair protection and credit life and disability coverages on vehicles sold by General Motors dealers. MIC also underwrites various commercial insurance coverage, including special programs for auto dealers. MIC conducts finance and insurance training schools in selected locations throughout the year for GM dealers responsible for marketing F&I products. **Circle #21.**

**Gorman Planning Co. Ltd.**

P.O. Box 508  
Virginia Beach, VA 23451  
(804)428-8111

*William R. Gorman, president*  
*William Zahrt, director of dealer training*

Complete automotive and recreational dealership planning company—key management training, sales, service and finance control planning. System sales training, time management training, F&I management training, including computer systems. In-dealership training throughout the U.S. and Canada. Complete hiring program, full business review and critique. **Circle #22.**

**Heritage Insurance Group**

30851 W. Agoura Road  
Agoura Hills, CA 91301  
(800)821-4570

*Frank J. Cordon, president*  
*K. David Yoshioka, executive vice president-credit insurance*  
*Richard W. Bergmann, executive vice president-service contracts*  
*E. David Bostic, vice president-training*

Auto dealers' credit life and disability programs, service contracts, mechanical-breakdown policies and F&I training. **Circle #23.**





#### **ICEngineering**

6635 W. Commercial Blvd.  
Fort Lauderdale, FL 33319  
(305)726-4181

*K. T. Krone, president*  
*Al Thompson, vice president*

ICEngineering markets ICEpak, an inexpensive and comprehensive set of programs that run on an IBM PC or XT. The F&I system provides sales tools, calculates finance contracts, types forms, does credit checks and computes reserves/profits. The lease system calculates and types most common leases such as Red Carpet, Oxford, Security Pacific, GMAC and others. Custom software and consulting for auto dealers is offered on a contract basis. **Circle #24.**

#### **ITT Commercial Finance Corp.**

8251 Maryland Ave.  
Clayton, MO 63105  
(314)725-2525

*Melvin F. Brown, president*  
*P. Frank Limbaugh, senior vice president,*  
*director of operations*

ITT Commercial Finance Corp. is the second largest independent company in the specialized field of inventory financing. Its primary business is collateral-based financing, known as floorplanning, particularly for import automobile dealers. ITT Commercial Finance also offers many business-related services to manufacturers, distributors, banks and finance companies. Included are inventory inspections, documentation support, portfolio management, installation loans and leases, real estate loans, capital loans and a variety of supplemental services. **Circle #25.**

#### **Life Investors Insurance Co. of America**

4333 Edgewood Road NE  
Cedar Rapids, IA 52499  
(800)553-0016  
(800)332-0125 (IA)

*Bill Gibson, vice president*  
*Mark Greenberg, marketing director*  
*Bill Roark, training division*

The company has three divisions: Life Investors is one of the major credit insurance companies in the U.S., offering a full range of credit insurance products with reinsurance programs both domestic and offshore. Investors Warranty of America offers extended service contract programs designed to maximize dealer profit and give ultimate customer satisfaction. The division has reinsurance programs for service contracts available, both domestic and offshore. The Institute of Sales and Systems Development is a complete training program for the automotive industry as it relates to sales, leasing, F&I training, recruiting and complete dealership evaluation. **Circle #26.**

#### **Lyons Capital Resources Inc.**

500 Park Blvd.  
Itasca, IL 60143  
(312)773-1925

*Mike Donohoo, vice president/general manager*

Cincinnati, OH (800)543-7145

Lyons Capital Resources is a commercial finance company with a national presence. The transportation division offers to a select dealer network lease and retail finance programs as well as floorplanning for both new and used automobiles. Additional areas of business include investment banking and the development of lease and finance packages for commercial real estate and capital equipment. **Circle #27.**

#### **Mechanical Insurance Associates Inc.**

16633 Ventura Blvd.  
Suite 800  
Encino, CA 91436  
(818)906-3588  
(800) CALL-MIA

*David Walker, president*  
*David Burkhart, vice president*  
*Richard Davis, national operations manager*

MIA has used its 28 years in business and two top-rated insurance carriers to accommodate the widely varying wants and needs of the automobile industry. MIA has a program for dealers who want maximum cash flow, and a different program for dealers who wish to defer income and taxation. MIA has tailored its component coverages to provide everything from "drive-train only" to complete bumper-to-bumper comprehensive coverage. **Circle #28.**

#### **Nissan Motor Acceptance Corp.**

18455 S. Figueroa St.  
Carson, CA 90248  
(213) 532-3111

*Robert R. Baker, president*  
*Blair T. Nance, treasurer*

19 field locations in the U.S.

Retail, wholesale and lease financing of Nissan motor vehicles. **Circle #29.**

#### **Oak Systems Inc.**

2015 Spring Road  
Oakbrook, IL 60521  
(312)323-9625  
(800)441-4228

*Alan K. Andersen, president*

The Oak F&I system helps sell financing and cars, computes monthly payments on cash and finance deals, prints forms, tracks F&I results, computes sales commissions and stores 300 deals. Inventory and pricing systems also available. **Circle #30.**

#### **Oakleaf Corp.**

19737 Nordhoff Place  
Chatsworth, CA 91311  
(818)993-1223  
(800)423-3681

*Anders B. Eklov, president*  
*Don C. Jackson, vice president-marketing*  
*Terry Ford, vice president-sales*  
*Mike McConnell, vice president-finance*  
*Gerry Shircore, vice president-operations*

Locations in all major U.S. cities

Oakleaf is a complete "single source vendor" for in-house micro-computer systems: Hardware, software, training and support services. Oakleaf provides the latest advances in automotive accounting, payroll, dealer-to-manufacturer communications, parts inventory control, parts invoicing, service dispatching/history/follow-up, merchandising, and the most comprehensive and sophisticated front-end system on the market today, featuring Oakleaf's advanced F&I, leasing, vehicle management, prospecting and follow-up systems. **Circle #31.**

#### **Ohio Software Inc.**

158 E. Main St.  
P.O. Box 525  
Xenia, OH 45385  
(513)376-4836

*James Cole, president*  
*Daniel Hutcheson*  
*Donald Coakley*

The Ohio Software F&I System features multi-payment calculations, quick quotes, leasing calculations, cash deals and cash conversions. Income view presents complete profit detail. Graphics display mileage and cost comparison. Complete disclosure screens. Worksheet screen has optional payment schedule, insurance selection, pickup payments, pack charge and rollbacks. Sales follow-up, inventory and management reporting included. **Circle #32.**

#### **PDP Group**

7th Floor  
Executive Plaza IV  
Hunt Valley, MD 21031  
(301)667-0500  
(800)638-8654

*William M. Pitcher, president*  
*Donald Doyle, vice president*  
*William Penn, vice president*

Complete dealership insurance needs, including garage insurance; leasing and rental; employee benefits plans; life insurance; pensions; long-term disability; and dealer products defense coverage. **Circle #33.**





#### **Pacific Standard Life Insurance Co.**

P.O. Box 1796  
Sacramento, CA 95808  
(916)756-3030  
(800)824-5082

*Clifford N. Gamble Jr., president*  
*Elmer L. Swanson Jr., senior vice president,*  
*credit marketing*  
*James Chapman, vice president, credit*  
*marketing*

Salt Lake City, UT (801)278-7240  
Forest Lake, MN (612)464-7757  
Nampa, ID (208)467-1127  
Scottsdale, AZ (602)953-1462

Life and disability insurance on consumer loans through auto dealer, bank, credit union and savings and loan accounts throughout Arizona, California, Idaho, Minnesota, Oregon, Utah, Washington and expanding into other states. The company also markets a service contract/mechanical breakdown insurance package. **Circle #34.**

#### **Palge-Ruane Inc.**

The Irwin Building  
King of Prussia, PA 19406  
(215)265-4170

*Ronald R. Ruane Sr., president*  
*Lisa Shaffran, vice president*

St. Petersburg, FL (813)578-0000

Provides insurance for leasing/rental industry to include primary liability and physical damage insurance; lessors contingency liability insurance; lessors contingency physical damage insurance; owner-only excess liability insurance; and residual value insurance. **Circle #35.**

#### **The Reynolds + Reynolds Co.**

800 Germantown Road  
Dayton, OH 45401  
(513) 443-2000

*Terry Carder, president*  
*Budd Tipple, senior vice president and chief*  
*operating officer* -  
*David Holms, group vice president,*  
*computer systems*

Complete F&I system running on IBM PC. Includes 512K of user memory and exciting color graphics for best possible customer reception. Single-screen deal worksheet allows easy payment calculation, and unique REY/COM™ board features automatic credit bureau inquiries and phone communications. Comprehensive sales aids assist in selling financing and profitable add-ons. **Circle #36.**

#### **Ryan Insurance**

222 N. Dearborn St.  
Chicago, IL 60601  
(312)269-4000

*Joseph Wilson, president*  
*David Cole, divisional vice president*  
*Joseph Coomes, divisional vice president*  
*Lenny Schmidt, divisional vice president*  
*Ed Johnson, divisional vice president*  
*Fred Schaden, vice president*  
*Patrick Hughes, vice president*  
*Herman Bass, vice president-training*  
*Bill Fisher, national business development*  
*manager*  
*Tom Sullivan, executive vice president*

Laguna Hills, CA (714)951-9233  
Shawnee Mission, KS (913)262-7000  
Minneapolis, MN (612)921-3387  
Atlanta, GA (404)951-1880  
Park Ridge, IL (312)692-7540  
Calumet City, IL (312)862-0374  
Nashville, TN (615)361-0659  
Houston, TX (713)681-6181  
Fairfax, VA (703)273-7522  
Raleigh, NC (919)848-9696  
Wayne, PA (215)964-1400  
Southfield, MI (313)559-7974  
Bellevue, WA (206)454-7005  
Tampa, FL (813)873-0428

Serving auto dealers exclusively: credit life/accident and health, mechanical repair, self-insured program, reinsurance, dealer insurance company management, F&I training, account development specialists, F&I recruiting. **Circle #37.**

#### **Security Pacific Credit Corp.**

2660 Townsgate Road  
Suite 400  
Westlake Village, CA 91361  
(805)496-1961

*Robert Monteith, president and CEO*  
*Colin Forkner, executive vice president*  
*Keith Hopkey, executive vice president*  
20 field locations across the U.S.

Security Pacific Credit Corp. operates regional business centers in a number of states throughout the country that offer third-party leasing, purchasing contracts, inventory financing and training programs to automobile dealers. In addition, SPCC develops financing packages for automobile manufacturers. **Circle #38.**

#### **The Sterling Co. (Golden Empire Marketing)**

P.O. Box 41408  
Sacramento, CA 95841  
(916)961-2007

*M. W. Seiple, president*  
*Jack B. Seiple Sr., founder*  
*Jack B. Seiple Jr., regional manager*  
*Chris L. Staab, regional manager*

Complete dealer services: service contracts, creditor insurance, physical damage insurance and F&I training. The company's service mark, "STERLING NUMBERONE PLAN," is officially registered in California and Nevada. The company has provided dealer services for over a quarter of a century. **Circle #39.**

## **The BIG advantage**

### **Comprehensive credit insurance programs with...**

Increased dealer profits. Competitive commissions. A nationwide network. Free professional training for your finance and insurance managers. Prompt claims processing. Free evaluation of your present programs. Free detailed procedural and sales manuals. And more.

Ask for BIG details.



### **Beneficial Insurance Group™**

400 Beneficial Center  
Peapack, NJ 07977  
Attn: Marketing Department

**Southwest**  
Amarillo, TX  
806 378-3476

**West Coast**  
Newport Beach, CA  
714 833-9511

**Northeast**  
Peapack, NJ  
201 781-4060

**Southeast**  
Wilkesboro, NC  
919 651-7600

**Circle #11 on Reader Service Card**





**PULL-OUT AND SAVE**

#### **Subaru Financial Services Inc.**

7040 Central Highway  
Pennsauken, NJ 08109  
(609)488-8770

*Gilbert N. Zitin, president*

*Kevin M. Baumann, director, sales and marketing*

*Scott R. Beagle, manager, finance and accounting*

*J. Art Berry, marketing manager*

*Sheldon F. Parker, operations manager*

*Elizabeth A. Bazin, manager, direct marketing*

*Kenneth R. Blaker, marketing manager, Subaru Life Insurance Co. (SLIC)*

Tampa, FL (817)875-0445  
Atlanta, GA (404)587-0366  
Boston, MA (617)935-0755; 935-1837  
Chicago, IL (312)948-0730  
Columbia, MD (301)964-3722  
Montvale, NJ (201)391-2001  
Dallas, TX (214)484-8727  
Denver, CO (303)987-3206  
Houston, TX (713)683-9008  
Los Angeles, CA (714)634-1586  
Portland, OR (503)644-7345  
San Jose, CA (408)241-4770

Subaru dealer wholesale and retail vehicle financing; vehicle leasing—open and closed end; Added Security®—extended service contracts for new and used Subaru vehicles; "Continued Service Protection"—extended service contracts for new and used non-Subaru vehicles; and "Subaru Life"—credit life and accident and health insurance. **Circle #40.**

#### **Toyota Motor Credit Corp.**

19001 S. Western Ave.  
Torrance, CA 90509  
(213)618-4324

*Y. Togo, president*

*Y. Gieszl, senior vice president*

*R. Pitts, general manager*

Portland, OR  
Bellevue, WA  
Las Vegas, NV  
Englewood, CO  
Leawood, KS  
Chattanooga, TN  
Bensalem, PA  
Nashua, NH  
Madison, WI  
Phoenix, AZ  
Timonium, MD  
La Grange, IL  
Waterbury, CT

Provides wholesale and retail financial services to Toyota dealers. Currently operating in 20 states. **Circle #41.**

#### **Trilogy Dealer Services Inc.**

Administration:

7364 El Cajon Blvd., Suite 113  
San Diego, CA 92115  
(619)464-8693  
(800)521-2584  
(800)552-8851 (CA)

Marketing:

6787 Cleary Drive  
Memphis, TN 38115  
(901)362-8781

*D. Shaw Glen, president*

*Gary W. Brugh, vice president-administration*

*Gary Giampapa, vice president-marketing*

Trilogy, a nationwide company, can service all of the automobile dealer's insurance needs. The company's one-stop service includes: automobile mechanical breakdown service contracts, credit life and disability insurance, finance and insurance personnel training, broad form automobile dealership insurance, workers' compensation insurance, group medical insurance, and paint, fabric and rust protection. **Circle #42.**

#### **Universal Computer Systems Inc.**

3724 Dacoma  
Houston, TX 77092  
(713)688-7238  
(800)231-6347

*Robert T. Brockman, president*

*Robert Nalley, executive vice president*

*Carlan Cooper, vice president, operations*

*Don Jones, vice president, finance*

*Terry Jones, vice president, customer service*

*Randy Rothrock, vice president, software*

*Morris Wiginton, vice president, installations and training*

Chattanooga, TN  
Atlanta, GA  
Dallas, TX  
Fargo, ND  
Los Angeles, CA  
New Orleans, LA  
San Antonio, TX  
Tampa, FL  
Washington, DC  
Chicago, IL

The UCS F&I system is designed to perform all F&I functions including payment calculation, F&I sales tools and lease conversions. The system can handle complex commission structures, provide for form construction and maintenance by dealership personnel and has virtually unlimited capacity for deal storage. The F&I system is fully integrated to the company's vehicle inventory system, management accounting system, customer and service history system and the name and address file. **Circle #43.**

#### **Universal Underwriters Group**

5115 Oak  
Kansas City, MO 64112  
(816)753-5800  
(800)821-7803

*R. M. Jamieson, president*

*D. P. Bresnahan, senior vice president-marketing*

25 field locations throughout the U.S.

Universal Underwriters Life Insurance Co.: Complete credit life and accident and health services  
Universal Underwriters Services Corp.: Extended service contracts. Universal Buyers Club: Residual value insurance—leasing and retail sales  
**Circle #44.**

#### **VW Credit Inc.**

900 Tower Drive  
Troy, MI 48098  
(313)879-7477

*John R. O'Green, president*

*John W. Horner, operations manager*

94 branch offices across the U.S.

Full service automotive financing—wholesale, retail, lease and related insurance services for Volkswagen and Audi dealer. **Circle #45.**

#### **Western Diversified Services Inc.**

2215 Sanders Road  
Northbrook, IL 60062  
(312)272-8300  
(800)323-5771

*Lloyd E. Gearhart, president*

*Jeffrey A. Brown, vice president-marketing*

*Ellsworth Davis, vice president-marketing*

A credit insurance company offering credit life and liability, extended warranty service contracts, F&I training and F&I computer systems. An authorized IBM dealer. **Circle #46.**

#### **Wheelways Insurance Program**

Maguire Insurance Agency Inc.  
259 E. Lancaster Ave.  
Wynnewood, PA 19096-1993  
(215) 642-8400

*James J. Maguire, president*

*Robert J. Wilkin, executive vice president*

*Thomas P. Nerney, vice president of marketing*

*Joseph Klagholtz, underwriting manager*

*Joseph E. Gillespie, treasurer*

125 sales offices and 10 regional offices throughout the U.S.

Dealership insurance, leasing insurance, rent-a-car insurance, personal accident insurance, residual value insurance, guaranteed value/balloon note, payment guarantee program and rent-a-car financing. **Circle #47.**



# ET Sky-Top<sup>®</sup> v/s<sup>™</sup> Vent/Slide power moonroof

## INNOVATIVE DESIGN AND QUALITY ENGINEERING

Offer your customers the most advanced modular sunroof technology available: The new Sky-Top V/S<sup>™</sup> (vent/slide) Power Moonroof. A push of the button slides the glass panel open to any degree or raises the rear portion of the panel into the vent position. This unique feature provides added ventilation without completely opening the moonroof.

Driven by the powerful and efficient Ultra-Glide<sup>™</sup> drive system, the V/S is smooth and quiet. The center-mounted single cable system is self-balancing, a distinct advantage over dual cable systems.

The V/S retains all the traditional Sky-Top quality features: least headroom loss...wide opening with unobstructed view...luxurious interior finish...privacy sunshade...stainless glass frame with matching trim ring...automatic wind deflector.

Sky-Top provides expert workmanship, superior service and an unsurpassed 12/12 warranty program from a nationwide network of more than 90 Sky-Top trained installation centers.

For the name of the nearest Sky-Top installer, call TOLL FREE: 1-800-327-1331 (Outside Missouri)

SKY-TOP<sup>®</sup> Sunroofs, Ltd.  
4700 Le Bourget Dr.  
St. Louis, MO 63134  
(314) 427-1441



*Comfort, luxury, open-air excitement, push-button convenience, versatile and reliable operation... all add up to total customer satisfaction.*

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**TIME MAGAZINE  
QUALITY DEALER  
OF THE YEAR**



**By Ted Orme**

**H** F. (Bert) Boeckmann II remembers when he first took a sales job with Glendale Nash in 1952. "My parents were very disappointed I wanted to be a car salesman and waste all that education," he says. "They had higher expectations."

But Boeckmann, who was in his last year at the University of Southern California, and who admits selling cars was just a job he took to make some extra money, was what you might call a natural. Ten months later he was working for Galpin

Motors (Ford) in San Fernando, CA. He rose steadily through the management ranks at Galpin and, in 1959, began to acquire stock in the company. By 1964, he was the majority stockholder and, in 1968, he bought it all, he says. (He never changed the name because "Frank Galpin gave me this opportunity.")

Boeckmann moved the dealership in 1965 from its original acre-and-a-half, three-car-showroom site to a 15-acre tract in nearby Sepulveda. The new facility features a 6,600-square-foot showroom for 20 vehicles, 24 sales offices, a 75-bay service department, a two-story parts department, an 800-vehicle storage lot, a large

used-car lot, and even a 2,500-square-foot restaurant serving everything from pancakes to steak and lobster. A fully equipped RV operation and separate leasing and rental departments have also been added.

The result: Boeckmann has seen his retail volume grow from 60 units a month to 600. His has been the number-one Ford dealership nationally in profit performance for 11 of the past 14 years. He has received Ford's Distinguished Achievement Award each year since its inception in 1969, and he has been named to the company's Vice President's Club (for the top 100 dealers nationally) every year



**"All you have to be is better than everybody else."**

since the club began in 1977.

In fact, Boeckmann has received more than 100 awards for outstanding achievement from Ford over the last 20 years, but they pall in comparison to the many honors he has received for his extensive community involvement.

At the NADA Convention in January, Boeckmann earned the highest dealer honor of all when he was named *Time* Magazine Quality Dealer of the Year.

"Yeah," Boeckmann chuckles; "my parents changed their minds about my career. My dad works here now."

A big man with a disarming grin and a contagious laugh, he is prepared for the

predictable opening question: What's the key to Bert Boeckmann's success?

"Years ago we started small, and I really feel our customer relations and management techniques are the same as in a small store," Boeckmann explains. "It's not unusual for my top managers to be here at 7:30 or 8 at night waiting for a customer who might have a problem."

Other small-town touches include gifts for all new-car and truck buyers—usually a potted plant and a subscription to *Valley* magazine, accompanied by a personal note from Boeckmann thanking them for their business and reminding them to return a customer-service survey. "I get a 90-percent return on that survey," Boeckmann says, which keeps the store from getting "horror stories of everything that was done wrong for the last six months."

Because Boeckmann is the kind of guy who "can't stand to think of someone buying a car somewhere else," he also sends letters to all the Ford buyers in his market area who didn't buy from him. "We tell them how badly we feel because we must have done something wrong." The letter offers to service the car anyway, and asks for a chance to sell them a new car or truck the next time around.

"It doesn't do you much good that first year," Boeckmann says. "But two or three years later I have an awful lot of those people coming in with that old letter in their hand."

Seventy percent of Galpin sales come from repeat and referral customers. This allows Boeckmann to spend proportionately less on advertising, but he makes sure his ads are effective and not misleading. "After spending all that money to get him in here, I don't want a customer unhappy because of what he thought I said," Boeckmann points out. "That is just a single car purchase. I'm after his business for life. That's why my salesmen pay extra attention to young people, who are typically ignored by most car salesmen."

Repeat business and customer satisfaction are also reasons why Galpin Motors wholesales two-thirds of the cars it takes in trade. "We do extensive recon-

ditioning on used cars, and I won't keep a car I wouldn't buy myself," Boeckmann says. "I don't sell any 'as is' cars. In fact, if a guy buys a bum car I'm going to take him out of it and put him in a good one."

The best possible treatment of customers is also why Galpin Motors, despite its size and volume, continues to use a straight sell approach. "When I was building this facility a number of dealers told me, 'you can't run a store that large with a straight sell, you'll have to go to TO.' Well, I worked TO when I first got in the business, and I have no problem with TO if it is done the way it should be. But I've never seen a store do it that way. Typically, what happens in a TO store is the salesmen begin to look at the customers as some kind of flakes. They don't build up any relationship with the customer—they just go for the close."

"With a straight sell it's a lot tougher," Boeckmann continues. "You have to have tighter management control and do a lot more training. You run a higher risk of losing some deals, but you run a lower risk of making people unhappy with the way you conduct yourself. I think that approach has been one of our strengths."

This management philosophy remains consistent because all Galpin managers are promoted from within. "I never hire managers from the outside, so we never have the sudden change of a new manager introducing a different philosophy," says Boeckmann.

"Most dealers look for a hero they can hire who will solve all their problems, and I think too often they overlook the potential they have in their own dealership," he adds. "These dealers tend to see weaknesses in all their personnel. But we all have weaknesses, and I guess I would rather know what a person's weakness is and work to develop his talents rather than hire someone from the outside and find out what his weaknesses are in six months."

Communication among managers is another Galpin Motors trademark. Nearly 30 managers and in-house advertising people gather for lunch once a week to



# Boeckmann

discuss problems, promotions or plans for the coming week. "It keeps us all at the same speed," says Boeckmann. "We don't have anyone who can say, 'gee, I didn't know we were going to do that.' It also creates a balanced dealership where sales and service pull together."

It was at a planning meeting some years ago that Boeckmann first proposed the idea of becoming number one in profits. "I looked at the figures of the dealership that was number one then, and I laid out for each department what we would have to do to become number one. I got my managers together and asked if they thought we could do it. They all said 'yes,' and we became number one that year."

The three key elements to that successful plan were, according to Boeckmann, "working out the type of promotion we would have to have, coming up with a realistic budget, and pushing much harder in our community involvement."

The extent of Bert Boeckmann's charitable, civic, educational and political involvement would put a saint to shame. He is the chairman of the San Fernando Valley Cultural Foundation, a member of the Los Angeles Olympic Citizens Advisory Committee, an executive board member of the Boy Scouts of America, director of the San Fernando Valley Business and Professional Association, chairman of the East Valley Community Cable Television Advisory Board, one of five Los Angeles police commissioners, president of the Municipal Improvement Corp. of Los Angeles, a member and past president of the Malibu-Encino Homeowners Association, and a member of the Citizens Legal Defense Alliance, Learning Skills Laboratory, Industrial Association of the San Fernando Valley, YMCA, and five local Chambers of Commerce. He is also the founder and president of the Boeckmann Charitable Foundation, which directs monies to various charitable, religious, civic and community groups.

Boeckmann is also active in local, state and national politics. He has served on the Mayor's Select Blue Ribbon Committee on Budget and Finance, and is a

former director of the State of California New Motor Vehicle Board. He is commissioner of the Los Angeles County Local Agency Formation Commission, former commissioner of the Los Angeles City Energy Commission and, in 1981, he was appointed by the lieutenant governor of California to the State Commission for Economic Development Alcohol Fuels Development Task Force. He is also a trustee of the California Family Study Center and an advisory board member of the University of La Verne College of Law and Continuing Education.

In recognition of this awesome community service, Boeckmann has received numerous awards, including the Free Enterprise Award, a national award presented on the basis of contributions to the preservation of the free enterprise system. Former winners include Ronald Reagan, Bob Hope and Pat Boone. Boeckmann also received the March of Dimes Humanitarian Award and the Fernando Award, the highest honor for a citizen of the San Fernando Valley.

And that isn't all Boeckmann does to stay busy. Without going into detail, suffice it to say he is also heavily into the savings and loan business, the manufacture of motorhomes, publishing (which includes *Valley* magazine, produced by his wife Jane), a future fuels development company, a mining and import/export business in West Africa, and extensive real estate investments, including a thousand-acre ranch in Ramona, CA, where he raises buffalo.

Where does he find time to run the store? Boeckmann admits that out of his normal 10- to 12-hour day, "only a couple of hours are spent running Galpin Motors." He credits his "excellent management team" for allowing him to spend so much time on community affairs, but he reminds us that, "I do it all from here, and that's the key. I'm always available to my managers."

Boeckmann also points out that "in our market area we currently run half the new Ford car and truck sales, with the balance split among the other six Ford dealers. I really think you have to get out and be-

come part of the community to make that happen."

Is Boeckmann ever tempted to dual or acquire more dealerships? "One thing I don't like about dualing is the salesmen always want to go where the action is. My guys are going to sell Fords come good times or bad. They don't have to confuse their minds." He feels a similar tendency exists with chain store operations owned by individuals and managed by "teams." The top people in this kind of an operation tend to gravitate to the franchise that's hot, Boeckmann believes. "Others will suffer." He has no problem, however, with chain store owners who "pick good people to operate the stores and let them buy out over a period of time. I think that's good evolution."

Another part of the evolution Boeckmann sees happening at the retail level is more sophisticated and better-educated managers. "They have to be able to deal with the increasing complexities in every aspect of the business." He also believes the "class of owners continues to improve," and the "attitude of dealers is less of a quick swing for a quick sale."

"It used to be the hot shots the factories were looking for," Boeckmann explains. "They were out to sell cars and whatever dealer could do that best for them was a hero. Today, I think all of us are trying to look at a better balance—sell a lot of cars but do it right. You know if they are going to put the quality in the car, then we better put the quality in the dealership."

With all his fame and fortune, the challenge for Bert Boeckmann seems only to keep it all rolling. "I love this business," he says, "and right now I probably have the greatest group of managers and personnel I've ever had. But they have to stay aggressive. They have to be up to win every day. I don't want my managers sitting back watching their money."

"We don't even approach being perfect," he says. "But all you have to be is better than everybody else." □

*Ted Orme is a contributing features writer for Automotive Executive magazine.*





# It's Time For Us.

No publication supports automobile dealers with as much drive as TIME.

Again this year, TIME Magazine honored the country's most outstanding dealers, with the 16th annual TIME Magazine Quality Dealer Awards. Sixty-three dealers were cited at the 1985 NADA Convention for their contributions to their industry and their communities. One of the 63 was named "Dealer of the Year."

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these winners, it publicizes them in the pages of TIME, making the public aware of the hard working, ethical individuals who are part of our business. Such publicity is bound to have a positive effect on our entire industry.

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National Automobile Dealers Association  
8400 Westpark Drive, McLean, VA 22102



# LOBBYING



## A CONSTITUTIONAL RIGHT

"Congress shall make no law . . . prohibiting the right of the people peaceably to assemble, and to petition the Government for redress of grievances."  
Excerpted from the Constitution of the United States, First Amendment.

**L**obbying—that ancient yet thoroughly modern system of furthering special interests—has sometimes carried with it this unfortunate stigma: Is it a vehicle for influence peddling? Tradition also has it that “special interest” groups lobby to gain unfair advantage for themselves, politically and economically.

In reality, the right to lobby is a constitutional right—to “petition the government . . .” In fact, in today’s government, lobbying is more than a right. It is a practical necessity that keeps the democratic process representative. Labor, medicine, law, business and consumers are only a few of the hundreds of groups who use lobbying to exercise their right to representation in the legislative process. What’s more, every person who writes a letter to an elected official to express a position on an issue is, in effect, lobbying for a special interest.

In the many forms it has taken since 1776, lobbying is as old as the Constitution, but the rules, the playing field, and even the players in this complex game

have changed. The once informal art of exercising political influence has now become a profession.

The growth of lobbying as we know it today can be traced back to the early 1900s. At the start of the century, control of American politics rested almost exclusively with white males, generally those well over 40, most of whom were property owners and considered to be “well off.” With the sweeping social changes of the next six decades, women got the right to vote, and all American citizens, from minorities to first-time 18-year-old voters, became much more politically aware.

Today, these various “publics” and special interest groups are often highly critical of government and more than willing to take their gripes to legislators. Indeed, a breakdown of party loyalties has combined with the turnover in Congress and the state legislatures to make lawmakers more responsive to pressure from their constituents.

Legislation has also become a year-round endeavor. State legislatures must meet more frequently these days to han-

dle the phenomenal (and growing) number of bills introduced. Three-fourths of the legislatures are in session every year. Others meet biannually and fill in the gaps with special sessions, interim sessions and interim committees. Legislators are under tremendous pressure to become knowledgeable on issues too numerous and too complex for any individual to ponder very well alone.

Legislative and administrative changes in the '60s and '70s combined to open up the state legislative process. The Supreme Court ruled that every American of voting age should be properly represented in Congress. The “one-man-one vote” decision requires reapportionment every 10 years, and has shifted political control from rural areas to urban centers. Citizen pressure, applied through organizations such as Legis 50, the Center for Legislative Improvement, urged states to employ professional legislative staffs, formalize legislative rules and raise lawmakers’ salaries to full-time levels. All this activity was aimed to improve efficiency in the state legislative process.



The federal government then expanded the concept of revenue-sharing, which gave states more money to work with and more authority to use it. States needed a more efficient legislative process to handle the higher stakes they'd been dealt. Therefore, state government became more complex. In response, lobbying on a state level expanded to include a complex government affairs system. Professional associations and lobbying groups now use communication, education and public relations to support legislative, regulatory and political objectives. Communication technology has multiplied the force of grassroots lobbying to the point that special interests can mobilize huge constituencies practically overnight. Overall, the pluralization of government has extended campaigning beyond established parties and political structures.

To get significant proposals adopted, according to political scientist James David Barber, a special interest group today must exert pressure at an increasing number of points. The group able to sustain its attack over months and even years enjoys an immense advantage over opponents, he says. Without active members, money, time, skill, patience and—especially—dedication, an interest group has little chance for government action in its behalf.

Yet today's smart legislator rarely identifies with a single interest group, sometimes even avoiding party loyalties. The legislator facing a diverse constituency adopts a position with the hope of appealing to a number of groups whose interests dovetail over the same issue. A lobbyist's job is to garner broad-based support for his group's position and attract legislators. A recent survey of legislators and their staffs showed that lawmakers are most influenced by letters from individual constituents, press clippings from hometown papers, constituent surveys, meetings with constituents in home territory, and other types of feedback from the electorate.

Politics by interest group is not new. The democratic process has never

functioned without lobbying. Even extraordinary legislators cannot accomplish the passage of useful laws without the aid of professional lobbyists. Lobbyists convey the attitudes and demands of various groups to legislators and serve as barometers of social conflict. They are employed to represent organized interest groups made up of average citizens who have many important ties to each other, such as their occupations.

#### Unfair Influence Is Rare

Unfair influence occurs when lobbying is imbalanced to the point that only a single side of an issue is expressed. This lopsided advantage is rare today. Most matters of any consequence are lobbied from many sides, prompting some observers to compare the legislature to a court of law. Lobbyists, they say, act as advocates, while legislators play the role of judge and jury. Just as a judge decides a case on the basis of evidence presented by advocates, a legislator chooses a position on an issue on the basis of information presented by lobbyists.

Information produced by interest groups is likely to be biased, but as former New York Rep. Barber Conable puts it, "because they (lobbyists) are individuals with special interests, they often know more about the effect of what we are doing than those more academically involved." The result is that lobbying provides another system of checks and balances from one special interest to another with the ultimate goal being a law in the public interest based on truth distilled from the many special interests often expressed before a deliberating legislator.

Lobbyists also serve by offering data and technical information to swamped legislative staffers. Legislators and regulators have come to rely on this statistical, historical and industry information that interest groups can supply. Truly influential lobbyists develop long-term relationships with legislators to help them understand the repercussions of proposed bills. Lobbyists who fail to provide consistently accurate and honest infor-

## KNOW YOUR REPRESENTATIVE

Every good citizen should know the following facts about each elected representative. Our suggestion is to put them in a reference file for quick recall and use.

- Name, office location, telephone number
- Key aides
- Party affiliation
- Years in political office
- Years in current position
- Professional background and education
- Legislative committees and assignments
- Voting record on major business issues
- Date of next election

### 99th Congress Legislative Calendar

Listed below are the tentative recess dates of the 99th Congress. Representatives can usually be found in their districts at these times. Constituent contact is particularly effective in the "home district."

#### House

<b>Recess</b>	<b>Reconvene</b>
April 5	April 15
May 25	May 29
June 29	July 8
August 3	September 4
September 14	September 17
September 24	September 26
October 12	October 16

#### Senate

<b>Recess</b>	<b>Reconvene</b>
April 5	April 15
May 25	June 3
June 29	July 8
August 3	September 4





mation don't tend to keep their jobs long.

It is, however, impossible to influence a legislator without access—and organized groups who also participate in the electoral process have the best track record in gaining access to legislators. Legislators remember the names of their campaign supporters and are more likely to listen to the ideas of groups who have worked for them during the election by providing volunteers access to votes and financial support.

The U.S. Chamber of Commerce also found that campaign contributions from lobbyists do not buy influence on a particular piece of legislation, but they can improve access. Traditionally, reputable business associations have contributed to the campaigns of friendly legislators to

help encourage a healthy legislative environment.

### Holding On to Integrity

A lobbyist's integrity is essential. Good lobbying, according to the U.S. Chamber of Commerce, means leveling with legislators, letting them know if an entire group agrees on an issue or if opinions are fragmented. An association's credibility is also essential and it depends on the quality of its executives, its members, and the public perception of the organization. Money cannot settle the shifting sands undermining a group's reputation once public opinion and the media turn against it.

As a result, influence is often earned through media attention. For that reason, most trade associations maintain public affairs departments that work closely with government affairs personnel. One of the roles of public affairs in lobbying is to keep track of the mood of the electorate and identify constituents who would be affected by legislative proposals.

### Educating the Public

Television, radio and newspaper stories educate the public, attract general attention and the interest of legislators. Public affairs people also generate attention for an issue by encouraging members to write to local newspapers expressing the interest group's position on the issue. Through such public affairs activities, lobbyists can demonstrate constituency benefit in a bill—an essential for legislative support.

President Reagan, in a recent interview with *Association Management* magazine, described the role of trade associations and their lobbyists. He said, "...a major asset of trade and professional associations is that they can represent the variety of viewpoints in our pluralistic society. They provide expert advice to us in developing projects. Associations," he added, "not only inform their members, but they can educate the American people to better understand the various segments of our free economy."

Lobbying represents only one aspect of

an association's involvement in government. According to one industry executive, "the private sector must now assume a much stronger role in making government work." Because of fragmented leadership, he said, "we must be involved not only with the regulatory system but with the judicial system, the fiscal system, the monetary system, the bureaucracy, and other parts of the total economic and political process, all of which ultimately have an impact on our ability not only to thrive but even to survive."

*This article is reprinted with permission from the Journal of American Insurance, The Alliance of American Insurers, Schaumburg, IL, November 3, 1984.*

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## DEALERS ELECTION ACTION COMMITTEE

NADA has its own campaign financing arm, the Dealers Election Action Committee (DEAC). DEAC is a nonpartisan effort to get the best legislators elected, legislators who will represent the interests of the car dealer most fairly.

William E. Hancock Jr., chairman of the DEAC Board of Trustees, describes his type of candidate.

"We want a man or woman with a good mind, an open mind, and one we feel will vote for what they believe is in the best interest of the country. All we ask is an opportunity to present our views on business in general and the auto business in particular."

"I cannot emphasize too much (that) we are neither Republican nor Democrat; we are for the man or woman. We tell them we will not petition them in legislation unless it is in the public interest. We come with no demands. We will not try to tell them what to do about Israel or El Salvador. We will stick to business in general and the automobile business in particular."



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# Auto Association News

## Leadership Council

The following associations are members of the Leadership Council of the National Automobile Dealers Charitable Foundation (NADCF). The Council recognizes state and local associations for their contributions to the Foundation on behalf of their presidents and chairmen of the board.

Arizona Automobile Dealers Association  
Arkansas Automobile Dealers Association  
Motor Car Dealers Association of Southern California  
Florida Automobile Dealers Association  
South Florida Auto-Truck Dealers Association  
Illinois New Car & Truck Dealers Association  
Detroit Auto Dealers Association  
Iowa Automobile Dealers Association

New Hampshire Automobile Dealers Association  
New Jersey Automobile Dealers Association  
Niagara Frontier Automobile Dealers Association  
NFADA Automobile Dealers Educational Assistance Foundation  
Ohio Automobile Dealers Association  
Cleveland Automobile Dealers Association  
Cleveland Automobile Dealers Educational Assistance Foundation  
Pennsylvania Automotive Association  
Harrisburg Automotive Trade Association  
Pittsburgh Automobile Trade Association  
Texas Automobile Dealers Association  
Kansas Motor Car Dealers Association ■

## Michigan joins up

The trade association for the nation's au-

tomobile manufacturers has hailed passage of a safety belt use bill in Michigan as a milestone on the road to enactment of legislation in all 50 states.

"Michigan follows three other states in this action but the passage is a milestone because Michigan is the heart of America's automobile industry," says V.J. Adduci, president and chief executive officer of the Motor Vehicle Manufacturers Association (MVMA).

"We still have a long and difficult road ahead in this campaign," he says, "but it would have been far bumpier without the approval of the state where most of the domestic motor vehicle manufacturers make their headquarters and where more than a third of the nation's automobiles are made."

Michigan's measure, with an effective date of July 1, can be enforced only in



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conjunction with another traffic violation. It calls for a fine of not more than \$10 for any front seat passenger not wearing the safety belt. The fine goes to \$25 on January 1, 1986.

MVMA expects that 40 other states will consider such legislation during 1985. ■

### SFADA's donation

The South Florida Automobile Dealers Association recently gave the Florida Highway Patrol (FHP) video equipment which will be used to assist the FHP in its efforts to prosecute and convict drunk drivers.

The equipment, which includes a camera, recorder, tuner and video monitor, will enable the FHP to video record the questioning of drivers suspected of driving while under the influence.

*(continued on page 50)*



SFADA President Michael Bassichis (left) presents Lt. Rich Rossman, district commander of the Florida Highway Patrol, with video equipment to be used in helping to prosecute and convict drunk drivers.

## The Goal: Profitable Service\*

"Because of the newly installed system in our Service Department, attitude, performance and productivity of each service person has greatly improved. Customers and sales persons are much more pleased with the now fast and regulated flow of traffic through the Service Department."

Don B. Payne, President Don Payne Chevrolet  
Springfield, Tennessee

"NADA Service Systems added a new dimension to our shop. It not only has resulted in a more efficient work flow system, but also in a more even distribution of the work resulting in a reduction in employee grievances. We know the system will have far reaching effects—all good!"

Tom Chapman, President Noble Motor Co.  
Danville, Illinois

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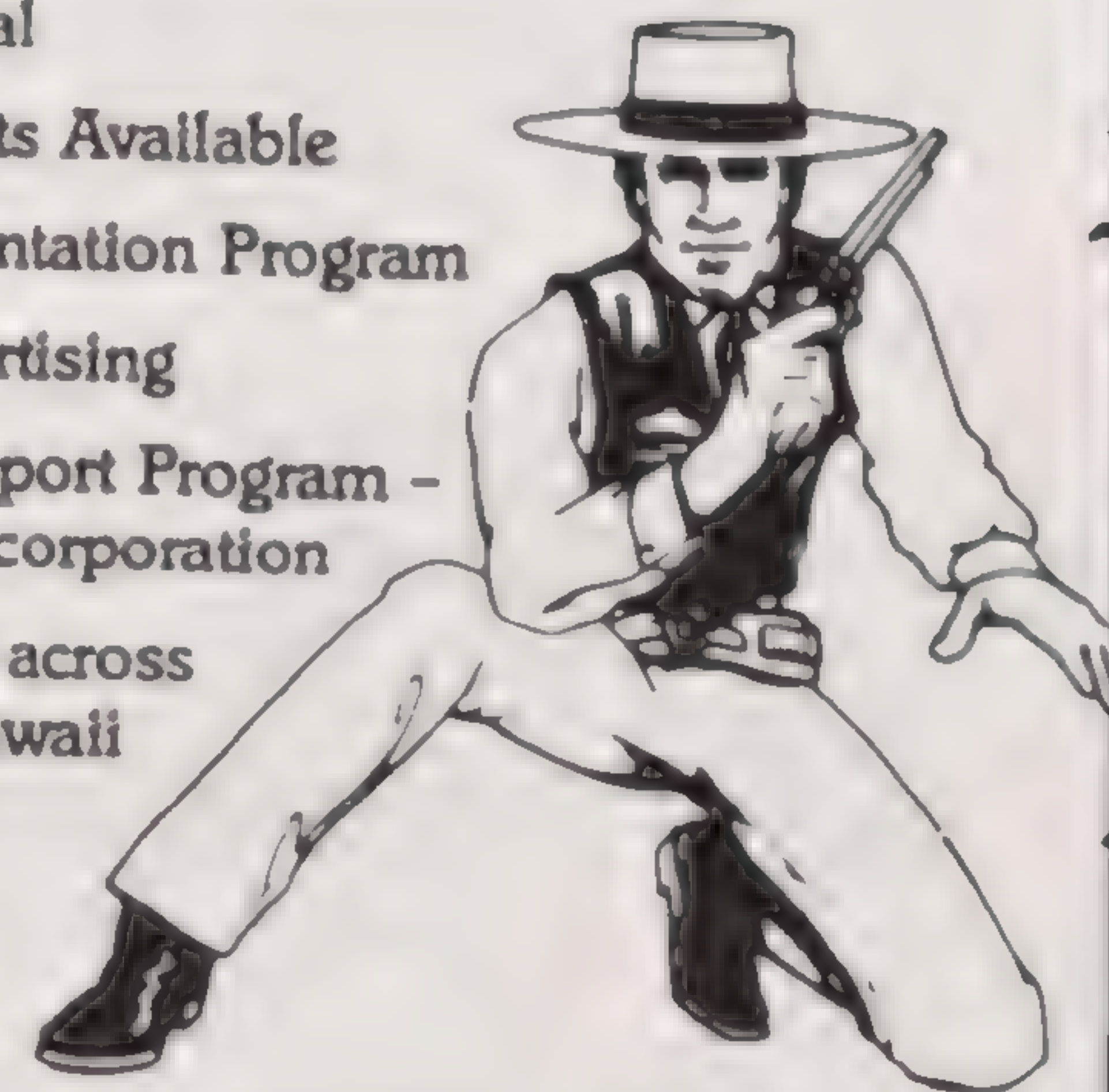
\* (P.S. NADA)

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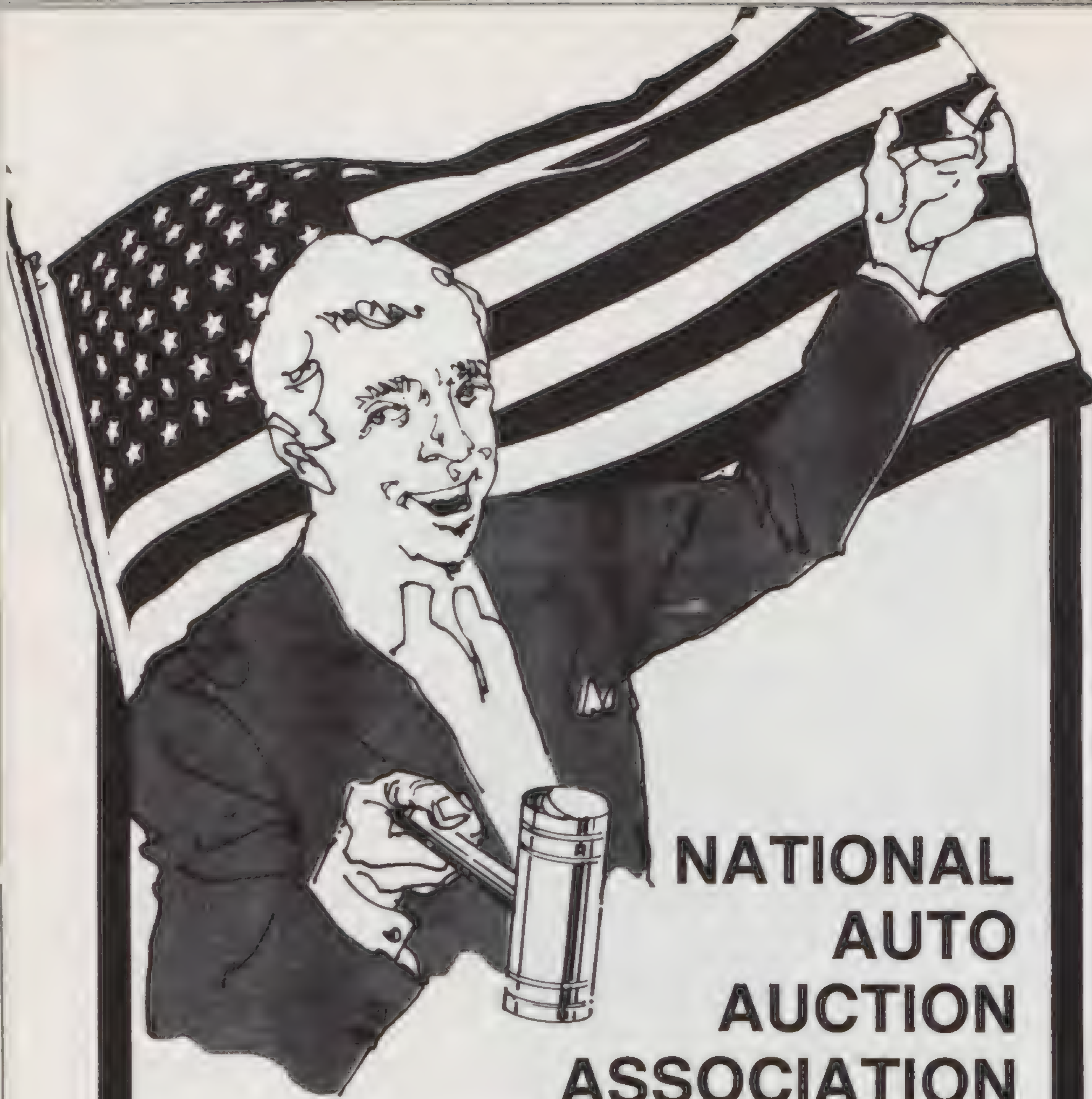
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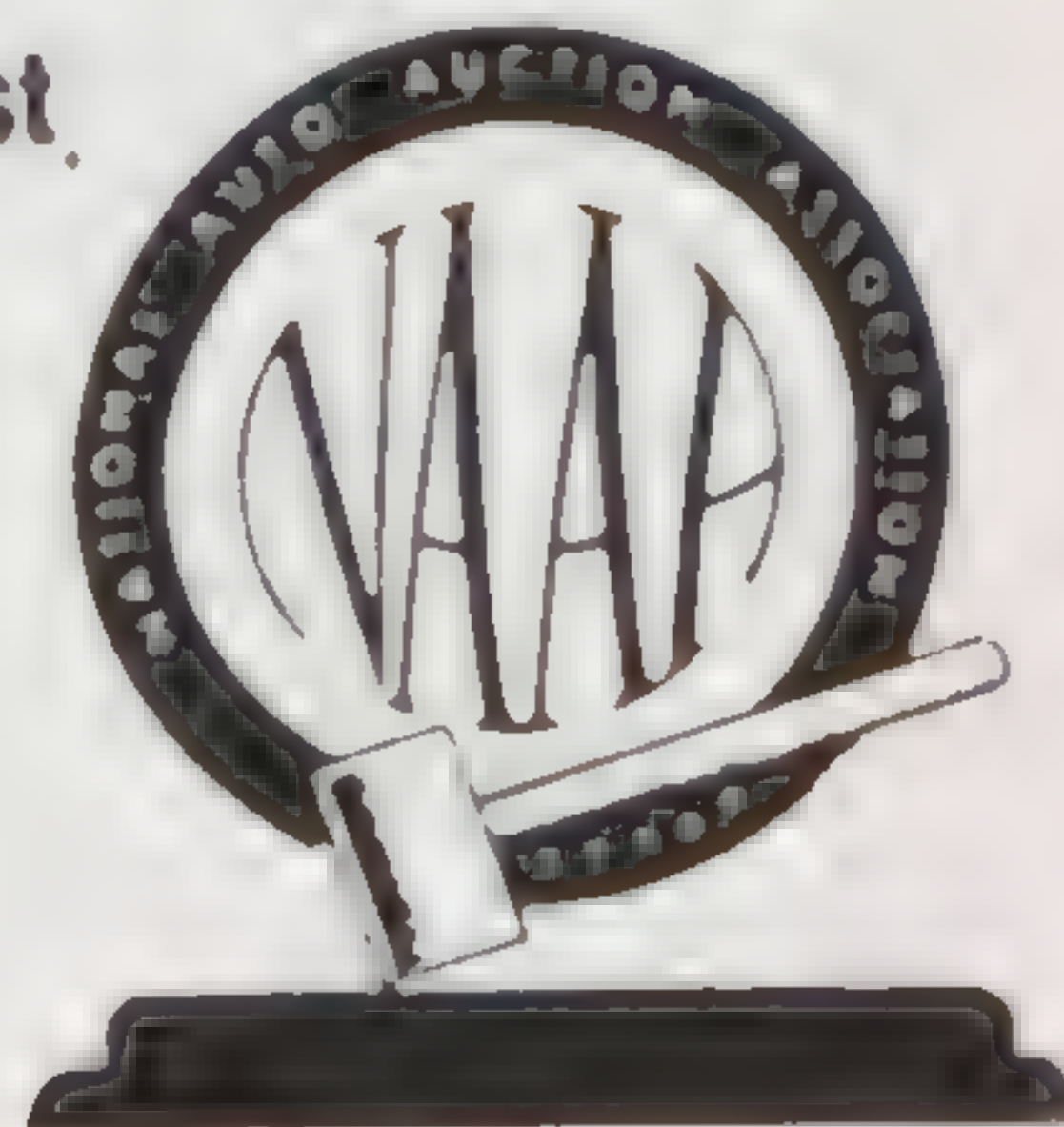
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Bernard Hart, Executive Secretary

**National Auto Auction  
Association, Inc.**



(continued from page 49)

The donation will supplement the latest FHP Safety Patrol campaign—"Drunk Driving Will Cost You...We Guarantee It"—which is designed to inform the public of the consequences of drunk driving.

*SFADA's president is Mike Bassichis.*

#### Working for safety belts

The Nebraska New Car & Truck Dealers Association (NNC&TDA) has been a key member of the Nebraska Safety Belt Committee, organized to accomplish the implementation of a safety belt law in the state. NNC&TDA is offering support, in-kind services and backing to accomplish both the legislation and an effective committee to spearhead and make such a law possible.

As part of its active support of the committee, NNC&TDA has produced a 10-minute slide program tailored to Nebraska. The program, which presents the need for required seat belt use in a positive manner and answers most objections, has been very well-received in the state.

*The president of NNC&TDA is Lee Janssen.*

#### AADA's restraint program

The Arkansas Automobile Dealers Association (AADA) recently began its "Show Your Love, Use Restraint" child safety seat program.

The public-service program is geared toward reminding parents of the new Arkansas program that requires children under five years old to be secured in an approved child passenger safety seat system.

The campaign includes radio, television and newspaper announcements, billboard advertisements, brochures and bumper stickers. A slide presentation is also being prepared.

*AADA's president is Bob Russell.*

The only way other associations across the country can know what your association is doing is if you let us know. Send information on your projects, activities, donations, awards and other items of interest (and include a black-and-white glossy photograph, if possible) to: **Joan Rubin, assistant editor, Automotive Executive, 8400 Westpark Drive, McLean, VA 22102.**



# For free information on products and services advertised and featured editorially in this issue . . .

Simply fill out the attached postcard. Circle the numbers which correspond to the advertisements and items mentioned in this issue.

Circle #	Advertiser	Page	Circle #	Buyer's Guide	Page	Circle #	Buyer's Guide	Page
1	ADP Dealer Services Division	30-31	1	ADP Dealer Services Division	27	28	Mechanical Insurance Associates Inc.	36
48	American Sunroof Corp.	54-55	2	AM Credit Corp.	27	29	Nissan Motor Acceptance Corp.	36
9	Auto Tell Services	34	3	Acceleration Corp.	27	30	Oak Systems Inc.	36
11	Beneficial Insurance Group	37	4	Adesco Inc.	27	31	Oakleaf Corp.	36
49	Clarion Corp. of America	47	5	American Bankers Insurance Group	27	32	Ohio Software Inc.	36
15	Display Data Corp.	Cover 3	6	American Hardware Mutual Insurance Co.	32	33	PDP Group	36
50	E & G Classics Inc.	7	7	The Lloyd Andersen Companies	32	34	Pacific Standard Life Insurance Co.	37
51	Freightliner/Mercedes Benz	20-21	8	Associates Commercial Corp.	32	35	Paige-Ruane Inc.	37
20	General Motors Acceptance Corp.	2	9	Auto Tell Services Inc.	32	36	The Reynolds + Reynolds Co.	37
52	Krex Inc.	48	10	Barclays/American Financial	32	37	Ryan Insurance	37
53	NADA Service Systems	49	11	Beneficial Insurance Group	32	38	Security Pacific Credit Corp.	37
54	NADA 20 Groups	58	12	Borg-Warner Acceptance Corp.	32	39	The Sterling Co. (Golden Empire Marketing)	37
55	National Auto Auction Association	50	13	Citicorp Acceptance Co Inc.	32	40	Subaru Financial Services Inc.	38
56	National Hole In One Association	14	14	Coin Financial Systems Inc.	32	41	Toyota Motor Credit Corp.	38
57	New Profit Systems	13	15	Display Data Corp.	32	42	Trilogy Dealer Services Inc.	38
31	Oakleaf	Cover 4	16	Dyatron Corp.	35	43	Universal Computer Systems Inc.	38
58	Pennzoil	4	17	F&I Management Corp.	35	44	Universal Underwriters Group	38
59	Premiums Plus	46	18	Ford Motor Credit Co.	35	45	VW Credit Inc.	38
36	The Reynolds + Reynolds Co.	28-29	19	General Electric Credit Corp.	35	46	Western Diversified Services Inc.	38
60	Ridgeway Chemicals	49		Automotive Financial Services Operation		47	Wheelways Insurance Program	38
61	Saginaw Steering	1	20	General Motors Acceptance Corp.	35			
62	Sky-Top Sunroofs Ltd.	39	21	GM-Motors Insurance Corp.	35			
63	Snap-On Tools Corp.	22	22	Gorman Planning Co. Ltd	35			
64	Sports Achievements	48	23	Heritage Insurance Group	35			
65	Supra Products	13	24	ICEngineering	36			
66	Time Inc.	12	25	ITT Commercial Finance Corp.	36			
	TMOA	43	26	Life Investors Insurance Co. of America	36			
44	Universal Underwriters Group	Cover 2	27	Lyons Capital Resources Inc.	36			
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# Calendar

## April

**9 to 10.** NADA Business Management Seminar, Holiday Inn Airport, Pittsburgh, PA

**10 to 11.** National Van Conversion Association "All Industry" Supplier Show, Century Center, South Bend, IN

**10 to 14.** 1985 Houston Auto Show, Astrodome, Houston, TX

**10 to 14.** South Florida Truck Show, Miami Beach Convention Center, Miami Beach, FL

**10 to 14.** Greater New Orleans International Auto Show, Louisiana Superdome, New Orleans, LA

**10 to 14.** Atlanta International Auto Show, Georgia World Congress Center, Atlanta, GA

**10 to 16.** Arkansas Automobile Dealers Association Convention, Maui Marriott, Maui, HI

**13 to 17.** Ohio Automobile Dealers Association Convention, The Greenbrier, White Sulphur Springs, WV

**13 to 17.** North Carolina Automobile Dealers Association Convention, Cable Beach Hotel, Nassau, Bahamas

**13 to 19.** Idaho-Oregon-Washington Automobile Dealers Associations Tri-State Convention, Maui Intercontinental Hotel, Wailea, Maui, HI

**16 to 19.** Eastern Automotive Aftermarket Show, Convention Hall, Atlantic City, NJ

**20 to 23.** 22nd Annual American Truck Dealers Convention & Exposition, Sheraton Washington, Washington, DC

**20 to 24.** Arizona Automobile Dealers Association Convention, Del Coronado, San Diego, CA

**21 to 26.** Kansas Motor Car Dealers Association Convention, Buena Vista Palace Hotel, Orlando, FL

**23 to 27.** Motor Car Dealers of Southern California Convention, Indian Wells Country Club, Indian Wells, CA

**25 to 27.** Mississippi Automobile Dealers Association Convention, Ramada Inn North, Jackson, MS

**28 to 30.** Automobile Dealers Association of North Dakota Convention, Kirkwood Motor Inn, Bismarck, ND

**28 to 30.** Automobile Dealers Association of Alabama Convention, Broadwater Beach Hotel, Biloxi, MS

**28 to May 1.** Automotive Training Managers Council Spring Meeting, Sea Pines Plantation, Hilton Head, SC

## May

**1 to 5.** National Vehicle Leasing Association Annual Conference & Exposition, Broadmoor Hotel, Colorado Springs, CO

**4 to 8.** Greater New York Automobile Dealers Association Convention, Hilton Hotel, Williamsburg, VA

**9 to 11.** Congress of Automotive Repair & Service, Hyatt Regency Hotel, New Orleans, LA

**10 to 11.** South Dakota Automobile Dealers Association Convention, Sheraton Inn, Aberdeen, SD

**14 to 15.** NADA Leasing Seminar, Hyatt Seattle Airport, Seattle, WA

**14 to 21.** Kentucky Automobile Dealers Association Convention, Royal Lancaster Hotel, London, England

**16 to 20.** South Carolina Automobile & Truck Dealers Association Convention, Cable Beach Hotel, Nassau, Bahamas

**26 to 28.** Ontario Automobile Dealers Association Convention, Harbour Castle Hotel, Toronto, Ontario, Canada

## June

**1 to 5.** Pennsylvania Automotive Association Convention, The Greenbrier, White Sulphur Springs, WV

**2 to 4.** Vermont Automotive Trade Association Convention, Topnotch at Stowe, Stowe, VT

**5 to 6.** Massachusetts State Automobile Dealers Association Convention, Marriott Copley Plaza, Boston, MA

**7 to 9.** Automotive Service Councils of Michigan Show, Michigan Exposition and Fairgrounds, Detroit, MI

**11 to 12.** NADA Leasing Seminar, Phoenix Hilton, Phoenix, AZ

**11 to 14.** New Mexico Automobile Dealers Association Convention, Inn of the Mountain Gods, Ruidoso, NM

**18 to 19.** NADA Business Management Seminar, Amfac Hotel, Minneapolis, MN

**19 to 23.** Automotive Service Councils Convention, MGM Grand, Reno, NV

**21 to 23.** Wyoming Automobile Dealers Association Convention, Americana Snow King Resort, Jackson Hole, WY

## American Sunroof Company Installing Associates

**Alabama**  
Custom Auto Vinyl Tops  
Birmingham

**California**  
American Body Shop, Inc.  
Ventura  
ASC—San Diego  
San Diego  
American Sunroof Co.  
Los Angeles  
American Sunroof—  
Orange County  
Santa Ana  
American Sunroof—Valley  
N. Hollywood  
Bay Area Sunroof  
San Carlos  
Britax  
Santa Ana  
D & D Kustom Vans  
Fresno  
East Bay Sunroof, Inc.  
Emeryville  
Executop  
Sunnyvale  
E-Z Rider  
Salinas  
Midway Vinyl Tops  
Compton  
Precision Auto Sunroof  
San Marcos  
Ram Vinyl  
Redding  
San Francisco Sunroofs  
San Francisco  
Sierra Coach, Inc.  
Sacramento  
The Sky is the Limit  
Santa Rosa  
The Sunroof Factory  
Alhambra

**Colorado**  
Meyer & Sons, Inc.  
Denver

**Connecticut**  
American Sunroof CT  
S. Norwalk

**Delaware**  
Autoport, Inc.  
New Castle

**Florida**  
ASC of Florida  
Pinellas Park  
ASC of Florida, Inc.  
Orlando  
Ted Faulkner Company  
Sanford  
Florissun Custom Coach  
Fort Meyers  
FL Auto Upholstery & Trim  
West Palm Beach  
Kelley's Custom Trim  
Delray Beach  
Precision Auto Works  
Pensacola  
Sunroof Corp.—Orlando  
Longwood  
Sunroof of Florida, Inc.  
Oakland Park

**Georgia**  
ASC of Atlanta  
East Point

**Hawaii**  
Electronic Entertainment  
Aiea

**Illinois**  
Broadway Auto Top, Inc.  
Evanston  
Lang's Auto  
Northbrook  
Tucker Automotive Corp.  
Palatine

**Indiana**  
Indy Auto Sound  
Indianapolis

**Iowa**  
Spectrum Automotive  
Center  
Davenport  
Spectrum Automotive  
Center  
Des Moines

**Kansas**  
Top King, Inc.  
Kansas City

**Kentucky**  
Car Customizing Co.  
Lexington  
Car Customizing Co.  
Louisville

**Louisiana**  
Acadiana's Top Shop  
LaFayette  
Duplessis Aftermarket  
Products  
Baton Rouge

**Massachusetts**  
American Sunroof  
Norfolk

**Maryland**  
Adler & Mandel, Inc.  
Rockville  
Creative Customs, Inc.  
Capital Heights  
Creative Customs  
Baltimore  
Overseas Custom Inc.  
Gaithersburg

**Michigan**  
A & E Auto Trim & Glass  
Plymouth  
R. S. Harper  
Fraser  
Kelley's Custom Trim  
Flint  
Remes Auto Parts  
Grand Rapids  
Renaissance Tyre Company  
Detroit  
Wisco Corporation  
Ferndale

**Minnesota**  
Spectrum Automotive  
Minneapolis

**Missouri**  
Central Service Co., Inc.  
St. Louis  
Consumers Glass Service  
St. Charles  
Dabryant Coach Builders  
Springfield

**Nebraska**  
Spectrum Automotive  
Center  
Omaha

**Nevada**  
Trim Line of Reno  
Reno  
Valley Van Works, Inc.  
Las Vegas

**New Jersey**  
Atlantic Custom Coach Works  
Atlantic City  
Auto Sunroof Inc.  
Cinnaminson  
Autobahn Custom Car Inc.  
Middletown  
Purich Inc.  
Bogota

**New Mexico**  
Western Radio  
Albuquerque

**New York**  
Air Surrey East Inc.  
Bellmore  
American Auto & Plate  
Glass Co.  
Albany  
American Pullman Coach  
Builders  
Brooklyn  
American Sunroof  
of Rochester  
Victor  
Auto Sunroof of Larchmont  
Larchmont  
Car World Inc.  
Poughkeepsie  
Clearview Sunroof & T-Top  
Bay Port  
Empire Custom Coach  
Brooklyn  
Humer & Ender  
New York  
J. R. Pride Auto Center  
Jamestown  
Long Island  
Custom Coach Works Inc.  
Farmingdale  
MacGregor's Automotive  
Styling Centers  
Brooklyn  
Metro Coach & Sunroof Ltd.  
Huntington Station  
Picasso Coach Builders  
Reno Park

**North Carolina**  
American Conversion, Inc.  
Mt. Airy  
C & C 'T' Top Shop, Inc.  
Fayetteville  
T-Tops, Inc.  
Gartner  
Tops & Trends  
Kernersville

**Ohio**  
Auto Options, Inc.  
Columbus  
CCU Custom Upholstery  
Lorain  
Jim Hayden, Inc.  
Cincinnati  
J. R. Pride Auto Center  
Akron  
Ohio Auto Custom Craft  
Cleveland

**Oklahoma**  
Sunroof of Oklahoma  
Oklahoma City  
Sunroof of Oklahoma, Inc.  
Tulsa

**Oregon**  
Western Sunroof  
Portland

**Pennsylvania**  
American Automotive  
Restyling  
Harrisburg  
Custom Trim  
Pittston  
Executive Motors Inc.  
Glenshaw  
M & T Trading  
Telford

**South Carolina**  
American Sunroof  
Custom Craft of Atlanta, Inc.  
W. Columbia  
Pop's Top Custom Coach  
N. Charleston

**Tennessee**  
Autocraft  
Chattanooga  
Autocraft  
Knoxville  
Autocraft  
Nashville  
Custom Tops  
Nashville

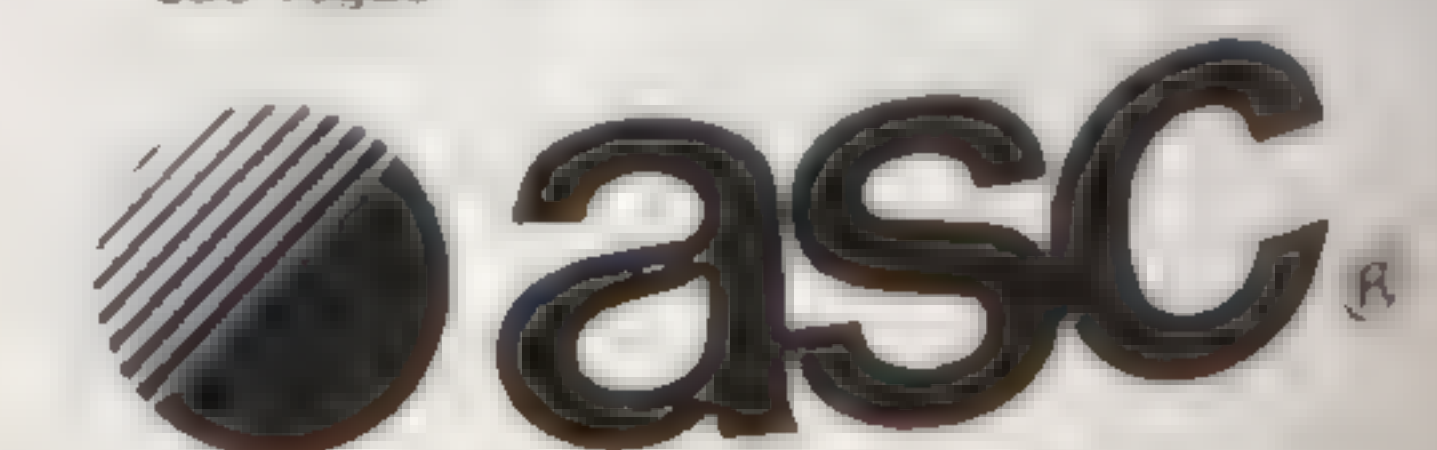
**Texas**  
ASC Custom Craft of Dallas  
Dallas  
ASC Custom Craft of Houston  
San Antonio  
Auto Trends  
Houston  
Clear VU & Dr. Glass  
Lubbock

**Utah**  
Custom Van of Utah  
Salt Lake City

**Washington**  
J. S. Custom Auto Works  
Ridgmont

**Wisconsin**  
Emerson Auto Trim  
Racine

**Canada**  
A. T. Auto  
Windsor, Ontario  
Oshawa, Ontario  
Automotive Sunroof  
Customcraft (Auto)  
Mississauga, Ontario  
Automotive Sunroof  
Customcraft (Auto)  
Pickering, Ontario  
Clear View Auto Glass  
Richmond, BC  
Custom Coach Builders  
of Canada  
Regina, Saskatchewan  
Dima's Auto Trim  
Windsor, Ontario  
G. Tebbena Ltd.  
Montreal, PQ  
Houghton Automotive  
Centre  
Guelph, Ontario  
Hy's Auto Trim Co. Ltd.  
London, Ontario  
Leamarket Glass Centre  
Newmarket, Ontario  
Miatta Custom Auto  
Toronto, Ontario  
Reno's Auto Glass Ltd.  
Edmonton, Alberta  
Solbert Auto Glass  
Hamilton, Ontario





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fit any car, any budget—from affordable pop-tops to state-of-the-art electric retracting and venting models. And because it's the option more and more new car buyers demand,

it's an easy way to extra profits. Contact the installing associate nearest you (see list at left) and find out how ASC sunroofs can make your sales forecast 'Sunsational!'



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American Sunroof Company  
Automobile Specialty Company  
Automotive Systems Company  
ASC/McLaren





Jack Kultgen is the elder statesman of the Texas Automobile Dealers Association. His office walls feature photos of old friends—like Presidents Lyndon Johnson and John F. Kennedy. Also displayed are Mr. Kultgen's many significant honors—including numerous Ford awards and a 1984 *Time* Magazine Quality Dealer of the Year Award.

While Mr. Kultgen was busy building his dealership, he was never too busy to contribute to his city and state. A former Chairman of the Texas Highway Commission, Jack is credited with doing more for highway development in central Texas than any other citizen. Waco's Kultgen Freeway attests to this.

Jack helped found four Texas State Technical Institute campuses (eight Kultgen mechanics and a service manager are graduates) and has, for over 40 years, donated his time, energy, and financial

support to many other worthwhile causes.

When Jack Kultgen speaks, other dealers listen. Here's what he has to say about...

**THE BEST ESP FEATURE FOR 1985:** "It's the new three-tiered plan. Now, the Ford Extended Service Plan is so affordable, there's something for most everyone. It attracts customers. ESP Plus™ is fantastic. It's our biggest seller. We point out to people it covers power equipment like windows, door locks, and seats—even cruise control and the radiator. These are important items never covered before. ESP Care™ attracts people who buy large cars—who can afford it. It's great when all you have to do is drive your Ford in and say, 'Here, I need it done.'"

**ESP SALES GROWTH:** "At Bird-Kultgen Ford, in



# "It's Ford ESP!"

## If it doesn't say Ford, we're not going to sell it."



John H. Kultgen  
President and Owner

Bird-Kultgen Ford, Waco, Texas

the last three years, our ESP sales have increased some 400-500%. We're selling 50-55% of our retail business...and 50% of our fleet business. It's all due to our people. Price and product are important, sure. But good people are more important."

**USING ESP TO MERCHANDISE FLEET CARS:**  
"ESP is the perfect tool for merchandising used fleet cars. You get the cars back, they have ESP on them, and you can transfer it to the retail buyer. Our fleet customers can use ESP anywhere in the U.S. and Canada without having to call back for approval of the selling dealer. One of our fleet customers tells us that since he began using ESP, major repair costs are no longer a big concern. Our smaller fleet-type buyers are also coming to the conclusion ESP Care™ is a good way to eliminate ongoing

maintenance costs. They avoid the risk of getting stuck with something like a \$2500 engine repair that really wrecks their cash flow."

**SERVICE CONTRACTS COMPETING WITH ESP:** "We sell Ford cars and trucks, Ford parts, Ford service. We let our customers know ESP is the only extended service contract with the Ford name on it, and it's the only one we sell. Our reputation of giving the best service around helps us sell ESP. Our customers come back after they've bought ESP and thank us for telling them about it. Some who didn't buy ESP come back and want to know why we didn't make them buy it. I believe in ESP 200%. I

feel very comfortable, very confident selling it." So can you. For more about Ford ESP, call Bird-Kultgen Ford. 1-817-752-0331.



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SERVICE  
PLAN**



# PROVEN MANAGEMENT PROGRAMS TAILORED FOR THE NO-NONSENSE DEALER



## Proven Success\*:

"Each dealer there is to help his buddy, and you know, camaraderie builds up within the 20 Group, because you are not competing. You are willing to tell all the secrets of how you make money, how you service a customer, how you've improved quality, this or that, it's all very much a free exchange of information."

Bob Sharp, Milton, CT

"The main reason I joined the 20 Group Program was because I wanted to learn how to be a better manager. I wanted to learn what makes an excellent operation, and I wanted mine to be professionally run."

Linda Brock, Scottsdale, AZ

**\*(P.S. NADA)**

Please send me more information



on 20 Group Program (P.S. NADA)

My dealership sells these makes \_\_\_\_\_

We sell \_\_\_\_\_ new vehicles annually.

Dealer Name \_\_\_\_\_

Dealership Name \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Signature \_\_\_\_\_ Telephone ( ) \_\_\_\_\_

**NADA 20 GROUP Programs**

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AE 285



# The Service Department

## Service Survey

**T**he increased interest of dealers in their service departments over the past two years has caused quite a stir in the industry. Buzzwords such as service index, driveability and consumerism have all taken on more significance. Dealers have joined in parallel efforts with manufacturers in attempts to please the customer.

The past two NADA conventions have seen record-setting crowds, and workshops covering service topics were always filled to capacity. Increased membership by dealers in "20-Group" type meetings and increased use of outside consulting companies are indications of the trends.

In speaking to dealers and service managers, I found that many still do not share their ideas with others and they, in turn, do not benefit from the ideas of others. To help disseminate information on trends in the service department, I have assembled a short survey that will help reveal what is really happening in service departments and what will be happening.

Take a few moments to cut it out, complete it and mail it to *Automotive Executive*, to the attention of this column. I will run the responses through a computer and announce the results in a future column.

1. What franchises do you sell?

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_

2. How many technicians do you employ (not counting new-car prep)? \_\_\_\_\_

3. How many service writers do you employ? \_\_\_\_\_

4. How many repair orders (customer pay and warranty) does your service department write per day? \_\_\_\_\_

5. How many repair orders do you complete per day? \_\_\_\_\_

6. Do you have a service advertising (marketing) plan?

- a. Yes
- b. No

7. Do you plan on recruiting an outside consulting service company for your service department?

- a. Yes
- b. No

8. Do you plan on meeting the increasing service business by

- a. Expanding your physical plant
- b. Increasing the number of hours your shop is open
- c. Increasing the number of technicians
- d. Other \_\_\_\_\_

---

**"Progress means keeping up with and possibly getting ahead of the industry. By reviewing the results of this survey, you will be able to measure your service department structure against that of others."**

---

9. Which of the following systems does your service department utilize?

- a. Appointments for service repairs
- b. Variable retail rates
- c. Quality control monitoring system
- d. Customer follow-up system
  - 1. Mail
  - 2. Phone calls
  - 3. Response cards
- e. Work order dispatch by
  - 1. Priority
  - 2. Skill level
  - 3. Other

10. What source do you use to purchase tools for your shop?

- a. Factory tool program
- b. Tool companies
- c. Independent stores
- d. Other

11. How long has your service manager been with your company as a service manager?

- a. Less than one year
- b. One to three years

- c. Three to five years
- d. Over five years

12. Do you think that increased factory warranty coverage will

- a. Hurt your service business profitability
- b. Help your service business profitability

13. Do you have an ongoing training program for your

- |                    |     |    |
|--------------------|-----|----|
| a. Service manager | Yes | No |
| b. Service writers | Yes | No |
| c. Technicians     | Yes | No |

14. Does your service manager have access to the service section of your financial statement? Yes No

15. Does your service manager oversee your

- |                     |     |    |
|---------------------|-----|----|
| a. Parts department | Yes | No |
| b. Body shop        | Yes | No |

As the demand for increased performance levels continue, service managers will need increased support from dealers. Support should be in the form of more training, more responsibility on a daily basis and, most of all, a more professional management attitude. There must be a shift from a technically proficient person being transplanted into management, to a manager being trained in technical knowledge.

Economic forecasts are optimistic for this year. However, our industry's cyclical history dictates that we keep our guard up and progress when times are good. Progress means keeping up with and possibly getting ahead of the industry. By reviewing the results of this survey, you will be able to measure your service department structure against that of others. ☐

---

The column is prepared for *Automotive Executive* by Ron Joffe, a dealership service director in Clearwater, FL. Survey responses should be mailed to: **The Service Department, Automotive Executive, 8400 Westpark Drive, McLean, VA 22102.**



# Showcase: What's New on the Market

According to MRC, its F.A.S. Top—the Fresh Air Series Top—brings together top-of-the-line **sunroof** features and an affordable price for the first time. The sunroof vents to the rear, retracts fully and locks securely in any position, has top-quality tinted glass, a sliding sun-screen, a full water management system and fits right between the roof and headliner, for virtually no loss of headroom. The company says its product installs in less time and with greater ease than comparable electric tops, costs less than any top with similar features and looks as good as the best OEM installation. The F.A.S. Top fits a broad range of cars. ■

**Circle #81 on Reader Service Card**



The Chevrolet, Oldsmobile, Buick and Cadillac Divisions of General Motors have approved a new **computer-system package** now offered by Reynolds + Reynolds for use with manufacturer-established Dealer Communications Systems. According to the company, its new computer systems are specially designed for each of these GM Divisions to offer high-speed communications links between the dealers and manufacturers. The new terminal systems, based on the IBM PC with features added by Reynolds, combine advanced technology and new, easy-to-use software. The company says its systems offer dealers three exclusives: Computer-Based Training, Alternate Maintenance Plans and the REY/COM Communications Package. ■

**Circle #82 on Reader Service Card**



Bilstein Corp. of America is adding two new products to its R-2000 Car Care Products line—a **paint sealer** and an **anti-rust compound**. The company says the paint sealant's ingredients provide a strong, hard-shell gloss finish over automotive paint that completely eliminates the need for waxing, while the specially formulated composition of the anti-rust compound features an improved capillary factor. ■

**Circle #83 on Reader Service Card**



Available from Sky-Top Sunroofs Ltd. is a **power moonroof** to fit the downsized Cadillac Fleetwood, as well as the other 1985 GM FWD C-cars, the Olds Ninety-Eight Regency and the Buick Electra Park Avenue. According to Sky-Top, its electrically operated, glass panel, sliding sunroof features an extra-wide opening with an unobstructed view and the least headroom loss of any leading power moonroof. Other features include a stainless steel frame and matching trim ring, a privacy sunshade, luxurious interior finish and an automatic wind deflector. ■

**Circle #84 on Reader Service Card**

According to Applied Power Inc.'s Automotive Division, its new Blackhawk Power-Tower is a basic and practical **floor-pull system** for body/frame repair. Compatible with common pot patterns, floor rail systems and hydraulic components, the Power-Tower's "building block" design allows the creation of a custom pull system without making any existing equipment obsolete. The company says the unit is portable, powerful and precise. It can be combined with an anchor package, an accessory package and a gauging package to create a complete pulling system. ■

**Circle #85 on Reader Service Card**



Auto Tell Services Inc. (ATS) has developed a multi-user **F&I system** designed to handle the finance and insurance operations of larger dealerships. Team F&I allows all sales and F&I people to use the system at one time, for all functions. The system creates an integrated F&I team, interconnecting multiple workstations and linking all consoles to one common vehicle inventory data base and one common data base for tracking and processing deals. ■

**Circle #86 on Reader Service Card**

Information and photographs of products listed in Showcase have been provided via manufacturers' press releases. A product's appearance in this column in no way implies an endorsement by either NADA, the NADA Services Corp. or Automotive Executive.



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Of course, our reputation extends to more than hardware. The Professional PC uses our own proven in\*sight software for Accounting, F&I, Sales, Parts/Counter Billing, Service, and many more applications. We're also famous for training, installation, and ongoing support.

That makes the Professional PC a complete turnkey system, ready to get you going—and growing—right now. And unlike other computers, it's designed to grow along with you.

The Professional PC is your first step toward a total i\*SRA system.

Your data processing needs are bound to expand. Yet, expanding our competitors' systems actually means

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The Professional PC becomes part of Display Data's in\*sight Shared Resource Architecture system—i\*SRA for short—which lets departments and dealerships manage information together.

But Display Data's Professional PC can be expanded into a vital component of our in\*sight Shared Resource Architecture system. Thanks to i\*SRA's advanced hardware and software, different departments and even different dealerships can share data and maximize computing power—along with you and your Professional PC.

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At Display Data, we make our own hardware and software. In fact, we're the only data processing company that makes this total commitment to your industry.

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CORPORATION  
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Quality that gets you where you're growing!

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Circle #15 on Reader Service Card



A man in a dark pinstripe suit, white shirt, and red tie is sitting on the grass, leaning against a large tree trunk. He is wearing glasses and has his hands clasped. The background shows a sunset over a field with a large tree in the foreground.

## Today...tomorrow...it's always safe to buy an Oakleaf

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Circle #31 on Reader Service Card